

106TH CONGRESS  
1ST SESSION

# H. R. 1802

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IN THE SENATE OF THE UNITED STATES

JUNE 30, 1999

Received; read twice and referred to the Committee on Finance

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## AN ACT

To amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
 2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4        (a) SHORT TITLE.—This Act may be cited as the  
 5        “Foster Care Independence Act of 1999”.

6        (b) TABLE OF CONTENTS.—The table of contents of  
 7        this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

Sec. 101. Improved independent living program.

Subtitle B—Related Foster Care Provision

Sec. 111. Increase in amount of assets allowable for children in foster care.

Sec. 112. Preparation of foster parents to provide for the needs of children in  
 State care.

Subtitle C—Medicaid Amendments

Sec. 121. State option of Medicaid coverage for adolescents leaving foster care.

Subtitle D—Adoption Incentive Payments

Sec. 131. Increased funding for adoption incentive payments.

TITLE II—SSI FRAUD PREVENTION

Subtitle A—Fraud Prevention and Related Provisions

Sec. 201. Liability of representative payees for overpayments to deceased recipi-  
 ents.

Sec. 202. Recovery of overpayments of SSI benefits from lump sum SSI benefit  
 payments.

Sec. 203. Additional debt collection practices.

Sec. 204. Requirement to provide State prisoner information to Federal and  
 federally assisted benefit programs.

Sec. 205. Rules relating to collection of overpayments from individuals con-  
 victed of crimes.

Sec. 206. Treatment of assets held in trust under the SSI program.

Sec. 207. Disposal of resources for less than fair market value under the SSI  
 program.

Sec. 208. Administrative procedure for imposing penalties for false or mis-  
 leading statements.

Sec. 209. Exclusion of representatives and health care providers convicted of  
 violations from participation in social security programs.

Sec. 210. State data exchanges.

Sec. 211. Study on possible measures to improve fraud prevention and administrative processing.

Sec. 212. Annual report on amounts necessary to combat fraud.

Sec. 213. Computer matches with Medicare and Medicaid institutionalization data.

Sec. 214. Access to information held by financial institutions.

#### Subtitle B—Special Benefits For Certain World War II Veterans

Sec. 251. Establishment of program of special benefits for certain World War II veterans.

#### Subtitle C—Study

Sec. 261. Study of denial of SSI benefits for family farmers.

### TITLE III—CHILD SUPPORT

Sec. 301. Narrowing of hold harmless provision for State share of distribution of collected child support.

### TITLE IV—TECHNICAL CORRECTIONS

Sec. 401. Technical corrections relating to amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

# **1 TITLE I—IMPROVED INDE- 2 PENDENT LIVING PROGRAM 3 Subtitle A—Improved Independent 4 Living Program**

## **5 SEC. 101. IMPROVED INDEPENDENT LIVING PROGRAM.**

6 (a) FINDINGS.—The Congress finds the following:

7 (1) States are required to make reasonable ef-  
8 forts to find adoptive families for all children, in-  
9 cluding older children, for whom reunification with  
10 their biological family is not in the best interests of  
11 the child. However, some older children will continue  
12 to live in foster care. These children should be en-  
13 rolled in an Independent Living program designed  
14 and conducted by State and local government to help

1 prepare them for employment, postsecondary edu-  
2 cation, and successful management of adult respon-  
3 sibilities.

4 (2) About 20,000 adolescents leave the Nation's  
5 foster care system each year because they have  
6 reached 18 years of age and are expected to support  
7 themselves.

8 (3) Congress has received extensive information  
9 that adolescents leaving foster care have significant  
10 difficulty making a successful transition to adult-  
11 hood; this information shows that children aging out  
12 of foster care show high rates of homelessness, non-  
13 marital childbearing, poverty, and delinquent or  
14 criminal behavior; they are also frequently the target  
15 of crime and physical assaults.

16 (4) The Nation's State and local governments,  
17 with financial support from the Federal Government,  
18 should offer an extensive program of education,  
19 training, employment, and financial support for  
20 young adults leaving foster care, with participation  
21 in such program beginning several years before high  
22 school graduation and continuing, as needed, until  
23 the young adults emancipated from foster care es-  
24 tablish independence or reach 21 years of age.

1 (b) IMPROVED INDEPENDENT LIVING PROGRAM.—  
2 Section 477 of the Social Security Act (42 U.S.C. 677)  
3 is amended to read as follows:

4 **“SEC. 477. INDEPENDENT LIVING PROGRAM.**

5 “(a) PURPOSE.—The purpose of this section is to  
6 provide States with flexible funding that will enable pro-  
7 grams to be designed and conducted—

8 “(1) to identify children who are likely to re-  
9 main in foster care until 18 years of age and to help  
10 these children make the transition to self-sufficiency  
11 by providing services such as assistance in obtaining  
12 a high school diploma, career exploration, vocational  
13 training, job placement and retention, training in  
14 daily living skills, training in budgeting and financial  
15 management skills, substance abuse prevention, and  
16 preventive health activities (including smoking avoid-  
17 ance, nutrition education, and pregnancy preven-  
18 tion);

19 “(2) to help children who are likely to remain  
20 in foster care until 18 years of age receive the edu-  
21 cation, training, and services necessary to obtain em-  
22 ployment;

23 “(3) to help children who are likely to remain  
24 in foster care until 18 years of age prepare for and

1 enter postsecondary training and education institu-  
2 tions;

3 “(4) to provide personal and emotional support  
4 to children aging out of foster care, through mentors  
5 and the promotion of interactions with dedicated  
6 adults; and

7 “(5) to provide financial, housing, counseling,  
8 employment, education, and other appropriate sup-  
9 port and services to former foster care recipients be-  
10 tween 18 and 21 years of age to complement their  
11 own efforts to achieve self-sufficiency and to assure  
12 that program participants recognize and accept their  
13 personal responsibility for preparing for and then  
14 making the transition from adolescence to adult-  
15 hood.

16 “(b) APPLICATIONS.—

17 “(1) IN GENERAL.—A State may apply for  
18 funds from its allotment under subsection (c) for a  
19 period of five consecutive fiscal years by submitting  
20 to the Secretary, in writing, a plan that meets the  
21 requirements of paragraph (2) and the certifications  
22 required by paragraph (3) with respect to the plan.

23 “(2) STATE PLAN.—A plan meets the require-  
24 ments of this paragraph if the plan specifies which  
25 State agency or agencies will administer, supervise,

1 or oversee the programs carried out under the plan,  
2 and describes how the State intends to do the fol-  
3 lowing:

4 “(A) Design and deliver programs to  
5 achieve the purposes of this section.

6 “(B) Ensure that all political subdivisions  
7 in the State are served by the program, though  
8 not necessarily in a uniform manner.

9 “(C) Ensure that the programs serve chil-  
10 dren of various ages and at various stages of  
11 achieving independence.

12 “(D) Involve the public and private sectors  
13 in helping adolescents in foster care achieve  
14 independence.

15 “(E) Use objective criteria for determining  
16 eligibility for benefits and services under the  
17 programs, and for ensuring fair and equitable  
18 treatment of benefit recipients.

19 “(F) Cooperate in national evaluations of  
20 the effects of the programs in achieving the  
21 purposes of this section.

22 “(3) CERTIFICATIONS.—The certifications re-  
23 quired by this paragraph with respect to a plan are  
24 the following:

1           “(A) A certification by the chief executive  
2 officer of the State that the State will provide  
3 assistance and services to children who have left  
4 foster care because they have attained 18 years  
5 of age, and who have not attained 21 years of  
6 age.

7           “(B) A certification by the chief executive  
8 officer of the State that not more than 30 per-  
9 cent of the amounts paid to the State from its  
10 allotment under subsection (c) for a fiscal year  
11 will be expended for room or board for children  
12 who have left foster care because they have at-  
13 tained 18 years of age, and who have not at-  
14 tained 21 years of age.

15           “(C) A certification by the chief executive  
16 officer of the State that none of the amounts  
17 paid to the State from its allotment under sub-  
18 section (c) will be expended for room or board  
19 for any child who has not attained 18 years of  
20 age.

21           “(D) A certification by the chief executive  
22 officer of the State that the State will use train-  
23 ing funds provided under the program of Fed-  
24 eral payments for foster care and adoption as-  
25 sistance to provide training to help foster par-



1           ents, workers in group homes, and case man-  
2           agers understand and address the issues con-  
3           fronting adolescents preparing for independent  
4           living, and will, to the extent possible, coordi-  
5           nate such training with the independent living  
6           program conducted for adolescents.

7           “(E) A certification by the chief executive  
8           officer of the State that the State has consulted  
9           widely with public and private organizations in  
10          developing the plan and that the State has  
11          given all interested members of the public at  
12          least 30 days to submit comments on the plan.

13          “(F) A certification by the chief executive  
14          officer of the State that the State will make  
15          every effort to coordinate the State programs  
16          receiving funds provided from an allotment  
17          made to the State under subsection (c) with  
18          other Federal and State programs for youth  
19          (especially transitional living youth projects  
20          funded under part B of title III of the Juvenile  
21          Justice and Delinquency Prevention Act of  
22          1974), abstinence education programs, local  
23          housing programs, programs for disabled youth  
24          (especially sheltered workshops), and school-to-

1 work programs offered by high schools or local  
2 workforce agencies.

3 “(G) A certification by the chief executive  
4 officer of the State that each Indian tribe in the  
5 State has been consulted about the programs to  
6 be carried out under the plan; that there have  
7 been efforts to coordinate the programs with  
8 such tribes; and that benefits and services  
9 under the programs will be made available to  
10 Indian children in the State on the same basis  
11 as to other children in the State.

12 “(H) A certification by the chief executive  
13 officer of the State that the State will ensure  
14 that adolescents participating in the program  
15 under this section participate directly in design-  
16 ing their own program activities that prepare  
17 them for independent living and that the ado-  
18 lescents accept personal responsibility for living  
19 up to their part of the program.

20 “(I) A certification by the chief executive  
21 officer of the State that the State has estab-  
22 lished and will enforce standards and proce-  
23 dures to prevent fraud and abuse in the pro-  
24 grams carried out under the plan.

1           “(4) APPROVAL.—The Secretary shall approve  
2           an application submitted by a State pursuant to  
3           paragraph (1) for a period if—

4                   “(A) the application is submitted on or be-  
5                   fore June 30 of the calendar year in which such  
6                   period begins; and

7                   “(B) the Secretary finds that the applica-  
8                   tion contains the material required by para-  
9                   graph (1).

10           “(5) AUTHORITY TO IMPLEMENT CERTAIN  
11           AMENDMENTS; NOTIFICATION.—A State with an ap-  
12           plication approved under paragraph (4) may imple-  
13           ment any amendment to the plan contained in the  
14           application if the application, incorporating the  
15           amendment, would be approvable under paragraph  
16           (4). Within 30 days after a State implements any  
17           such amendment, the State shall notify the Sec-  
18           retary of the amendment.

19           “(6) AVAILABILITY.—The State shall make  
20           available to the public any application submitted by  
21           the State pursuant to paragraph (1), and a brief  
22           summary of the plan contained in the application.

23           “(c) ALLOTMENTS TO STATES.—

24                   “(1) IN GENERAL.—From the amount specified  
25           in subsection (h) that remains after applying sub-

1 section (g)(2) for a fiscal year, the Secretary shall  
2 allot to each State with an application approved  
3 under subsection (b) for the fiscal year the amount  
4 which bears the same ratio to such remaining  
5 amount as the number of children in foster care  
6 under a program of the State in the most recent fis-  
7 cal year for which such information is available  
8 bears to the total number of children in foster care  
9 in all States for such most recent fiscal year, as ad-  
10 justed in accordance with paragraph (2).

11 “(2) HOLD HARMLESS PROVISION.—

12 “(A) IN GENERAL.—The Secretary shall  
13 allot to each State whose allotment for a fiscal  
14 year under paragraph (1) is less than the  
15 amount payable to the State under this section  
16 for fiscal year 1998 an additional amount equal  
17 to the difference.”.

18 “(B) RATABLE REDUCTION OF CERTAIN  
19 ALLOTMENTS.—In the case of a State not de-  
20 scribed in subparagraph (A) for a fiscal year,  
21 the Secretary shall reduce the amount allotted  
22 to the State for the fiscal year under paragraph  
23 (1) by the amount that bears the same ratio to  
24 the sum of the differences determined under  
25 subparagraph (A) for the fiscal year as the

1           amount so allotted bears to the sum of the  
2           amounts allotted to all States not so described.

3       “(d) USE OF FUNDS.—

4           “(1) IN GENERAL.—A State to which an  
5           amount is paid from its allotment under subsection  
6           (c) may use the amount in any manner that is rea-  
7           sonably calculated to accomplish the purposes of this  
8           section.

9           “(2) NO SUPPLANTATION OF OTHER FUNDS  
10          AVAILABLE FOR SAME GENERAL PURPOSES.—The  
11          amounts paid to a State from its allotment under  
12          subsection (c) shall be used to supplement and not  
13          supplant any other funds which are available for the  
14          same general purposes in the State.

15          “(3) TWO-YEAR AVAILABILITY OF FUNDS.—  
16          Payments made to a State under this section for a  
17          fiscal year shall be expended by the State in the fis-  
18          cal year or in the succeeding fiscal year.

19       “(e) PENALTIES.—

20           “(1) USE OF GRANT IN VIOLATION OF THIS  
21          PART.—If the Secretary is made aware, by an audit  
22          conducted under chapter 75 of title 31, United  
23          States Code, or by any other means, that a program  
24          receiving funds from an allotment made to a State  
25          under subsection (c) has been operated in a manner

1       that is inconsistent with, or not disclosed in the  
2       State application approved under subsection (b), the  
3       Secretary shall assess a penalty against the State in  
4       an amount equal to not less than 1 percent and not  
5       more than 5 percent of the amount of the allotment.

6               “(2) FAILURE TO COMPLY WITH DATA REPORT-  
7       ING REQUIREMENT.—The Secretary shall assess a  
8       penalty against a State that fails during a fiscal  
9       year to comply with an information collection plan  
10      implemented under subsection (f) in an amount  
11      equal to not less than 1 percent and not more than  
12      5 percent of the amount allotted to the State for the  
13      fiscal year.

14              “(3) PENALTIES BASED ON DEGREE OF NON-  
15      COMPLIANCE.—The Secretary shall assess penalties  
16      under this subsection based on the degree of non-  
17      compliance.

18              “(f) DATA COLLECTION AND PERFORMANCE MEAS-  
19      UREMENT.—

20              “(1) IN GENERAL.—The Secretary, in consulta-  
21      tion with State and local public officials responsible  
22      for administering independent living and other child  
23      welfare programs, child welfare advocates, members  
24      of Congress, youth service providers, and research-  
25      ers, shall—

1           “(A) develop outcome measures (including  
2           measures of educational attainment, employ-  
3           ment, avoidance of dependency, homelessness,  
4           nonmarital childbirth, and high-risk behaviors)  
5           that can be used to assess the performance of  
6           States in operating independent living pro-  
7           grams;

8           “(B) identify data elements needed to  
9           track—

10                   “(i) the number and characteristics of  
11                   children receiving services under this sec-  
12                   tion;

13                   “(ii) the type and quantity of services  
14                   being provided; and

15                   “(iii) State performance on the out-  
16                   come measures; and

17           “(C) develop and implement a plan to col-  
18           lect the needed information beginning with the  
19           second fiscal year beginning after the date of  
20           the enactment of this section.

21           “(2) REPORT TO THE CONGRESS.—Within 12  
22           months after the date of the enactment of this sec-  
23           tion, the Secretary shall submit to the Committee on  
24           Ways and Means of the House of Representatives  
25           and the Committee on Finance of the Senate a re-

1 port detailing the plans and timetable for collecting  
2 from the States the information described in para-  
3 graph (1).

4 “(g) EVALUATIONS.—

5 “(1) IN GENERAL.—The Secretary shall con-  
6 duct evaluations of such State programs funded  
7 under this section as the Secretary deems to be in-  
8 novative or of potential national significance. The  
9 evaluation of any such program shall include infor-  
10 mation on the effects of the program on education,  
11 employment, and personal development. To the max-  
12 imum extent practicable, the evaluations shall be  
13 based on rigorous scientific standards including ran-  
14 dom assignment to treatment and control groups.  
15 The Secretary is encouraged to work directly with  
16 State and local governments to design methods for  
17 conducting the evaluations, directly or by grant, con-  
18 tract, or cooperative agreement.

19 “(2) FUNDING OF EVALUATIONS.—The Sec-  
20 retary shall reserve 1.5 percent of the amount speci-  
21 fied in subsection (h) for a fiscal year to carry out,  
22 during the fiscal year, evaluation, technical assist-  
23 ance, performance measurement, and data collection  
24 activities related to this section, directly or through



1 grants, contracts, or cooperative agreements with  
2 appropriate entities.

3 “(h) LIMITATIONS ON AUTHORIZATION OF APPRO-  
4 PRIATIONS.—To carry out this section and for payments  
5 to States under section 474(a)(4), there are authorized to  
6 be appropriated to the Secretary \$140,000,000 for each  
7 fiscal year.”.

8 (c) PAYMENTS TO STATES.—Section 474(a)(4) of  
9 such Act (42 U.S.C. 674(a)(4)) is amended to read as fol-  
10 lows:

11 “(4) the lesser of—

12 “(A) 80 percent of the amount (if any) by  
13 which—

14 “(i) the total amount expended by the  
15 State during the fiscal year in which the  
16 quarter occurs to carry out programs in  
17 accordance with the State application ap-  
18 proved under section 477(b) for the period  
19 in which the quarter occurs (including any  
20 amendment that meets the requirements of  
21 section 477(b)(5)); exceeds

22 “(ii) the total amount of any penalties  
23 assessed against the State under section  
24 477(e) during the fiscal year in which the  
25 quarter occurs; or

1           “(B) the amount allotted to the State  
 2           under section 477 for the fiscal year in which  
 3           the quarter occurs, reduced by the total of the  
 4           amounts payable to the State under this para-  
 5           graph for all prior quarters in the fiscal year.”.

6           (d) REGULATIONS.—Not later than 12 months after  
 7           the date of the enactment of this Act, the Secretary of  
 8           Health and Human Services shall issue such regulations  
 9           as may be necessary to carry out the amendments made  
 10          by this section.

11          (e) SENSE OF THE CONGRESS.—It is the sense of the  
 12          Congress that States should provide medical assistance  
 13          under the State plan approved under title XIX of the So-  
 14          cial Security Act to 18-, 19-, and 20-year-olds who have  
 15          been emancipated from foster care.

## 16           **Subtitle B—Related Foster Care** 17                           **Provision**

### 18   **SEC. 111. INCREASE IN AMOUNT OF ASSETS ALLOWABLE** 19                           **FOR CHILDREN IN FOSTER CARE.**

20          Section 472(a) of the Social Security Act (42 U.S.C.  
 21   672(a)) is amended by adding at the end the following:  
 22   “In determining whether a child would have received aid  
 23   under a State plan approved under section 402 (as in ef-  
 24   fect on July 16, 1996), a child whose resources (deter-  
 25   mined pursuant to section 402(a)(7)(B), as so in effect)

1 have a combined value of not more than \$10,000 shall  
 2 be considered to be a child whose resources have a com-  
 3 bined value of not more than \$1,000 (or such lower  
 4 amount as the State may determine for purposes of such  
 5 section 402(a)(7)(B)).”.

6 **SEC. 112. PREPARATION OF FOSTER PARENTS TO PROVIDE**  
 7 **FOR THE NEEDS OF CHILDREN IN STATE**  
 8 **CARE.**

9 (a) STATE PLAN REQUIREMENT.—Section 471(a) of  
 10 the Social Security Act (42 U.S.C. 671(a)) is amended—

11 (1) by striking “and” at the end of paragraph  
 12 (22);

13 (2) by striking the period at the end of para-  
 14 graph (23) and inserting “; and”; and

15 (3) by adding at the end the following:

16 “(24) include a certification that, before a child  
 17 in foster care under the responsibility of the State  
 18 is placed with prospective foster parents, the pro-  
 19 spective foster parents will be prepared adequately  
 20 with the appropriate knowledge and skills to provide  
 21 for the needs of the child, and that such preparation  
 22 will be continued, as necessary, after the placement  
 23 of the child.”.

24 (b) EFFECTIVE DATE.—The amendments made by  
 25 subsection (a) shall take effect on October 1, 1999.

# 1   **Subtitle C—Medicaid Amendments**

## 2   **SEC. 121. STATE OPTION OF MEDICAID COVERAGE FOR** 3                   **ADOLESCENTS LEAVING FOSTER CARE.**

4           (a) IN GENERAL.—Title XIX of the Social Security  
 5 Act is amended—

6                   (1) in section 1902(a)(10)(A)(ii) (42 U.S.C.  
 7           1396a(a)(10)(A)(ii))—

8                           (A) by striking “or” at the end of sub-  
 9                   clause (XIII);

10                   (B) by adding “or” at the end of subclause  
 11           (XIV); and

12                   (C) by adding at the end the following new sub-  
 13           clause:

14                                   “(XV) who are independent fos-  
 15                   ter care adolescents (as defined in  
 16                   (section 1905(v)(1)), or who are with-  
 17                   in any reasonable categories of such  
 18                   adolescents specified by the State;”;  
 19                   and

20                   (2) by adding at the end of section 1905 (42  
 21           U.S.C. 1396d) the following new subsection:

22                   “(v)(1) For purposes of this title, the term ‘inde-  
 23           pendent foster care adolescent’ means an individual—

24                           “(A) who is under 21 years of age;

1           “(B) who, on the individual’s 18th birthday,  
2       was in foster care under the responsibility of a  
3       State; and

4           “(C) whose assets, resources, and income do  
5       not exceed such levels (if any) as the State may es-  
6       tablish consistent with paragraph (2).

7       “(2) The levels established by a State under para-  
8       graph (1)(C) may not be less than the corresponding levels  
9       applied by the State under section 1931(b).

10       “(3) A State may limit the eligibility of independent  
11       foster       care       adolescents       under       section  
12       1902(a)(10)(A)(ii)(XV) to those individuals with respect  
13       to whom foster care maintenance payments or inde-  
14       pendent living services were furnished under a program  
15       funded under part E of title IV before the date the individ-  
16       uals attained 18 years of age.”.

17       (b) EFFECTIVE DATE.—The amendments made by  
18       subsection (a) apply to medical assistance for items and  
19       services furnished on or after October 1, 1999.

**Subtitle D—Adoption Incentive  
Payments**

**SEC. 131. INCREASED FUNDING FOR ADOPTION INCENTIVE  
PAYMENTS.**

(a) SUPPLEMENTAL GRANTS.—Section 473A of the Social Security Act (42 U.S.C. 673b) is amended by adding at the end the following:

“(j) SUPPLEMENTAL GRANTS.—

“(1) IN GENERAL.—Subject to the availability of such amounts as may be provided in advance in appropriations Acts, in addition to any amount otherwise payable under this section to any State that is an incentive-eligible State for fiscal year 1998, the Secretary shall make a grant to the State in an amount equal to the lesser of—

“(A) the amount by which—

“(i) the amount that would have been payable to the State under this section during fiscal year 1999 (on the basis of adoptions in fiscal year 1998) in the absence of subsection (d)(2) if sufficient funds had been available for the payment; exceeds

“(ii) the amount that, before the enactment of this subsection, was payable to

1           the State under this section during fiscal  
2           year 1999 (on such basis); or

3           “(B) the amount that bears the same ratio  
4           to the dollar amount specified in paragraph (2)  
5           as the amount described by subparagraph (A)  
6           for the State bears to the aggregate of the  
7           amounts described by subparagraph (A) for all  
8           States that are incentive-eligible States for fis-  
9           cal year 1998.

10          “(2) FUNDING.—\$23,000,000 of the amounts  
11          appropriated under subsection (h)(1) for fiscal year  
12          2000 may be used for grants under paragraph (1)  
13          of this subsection.”.

14          (b) LIMITATION ON AUTHORIZATION OF APPROPRIA-  
15          TIONS.—Section 473A(h)(1) of the Social Security Act  
16          (42 U.S.C. 673b(h)(1)) is amended to read as follows:

17               “(1) IN GENERAL.—For grants under sub-  
18               section (a), there are authorized to be appropriated  
19               to the Secretary—

20                       “(A) \$20,000,000 for fiscal year 1999;

21                       “(B) \$43,000,000 for fiscal year 2000; and

22                       “(C) \$20,000,000 for each of fiscal years  
23                       2001 through 2003.”.

1                   **TITLE II—SSI FRAUD**  
2                   **PREVENTION**  
3       **Subtitle A—Fraud Prevention and**  
4                   **Related Provisions**

5       **SEC. 201. LIABILITY OF REPRESENTATIVE PAYEES FOR**  
6                   **OVERPAYMENTS TO DECEASED RECIPIENTS.**

7           (a) AMENDMENT TO TITLE II.—Section 204(a)(2) of  
8       the Social Security Act (42 U.S.C. 404(a)(2)) is amended  
9       by adding at the end the following new sentence: “If any  
10      payment of more than the correct amount is made to a  
11      representative payee on behalf of an individual after the  
12      individual’s death, the representative payee shall be liable  
13      for the repayment of the overpayment, and the Commis-  
14      sioner of Social Security shall establish an overpayment  
15      control record under the social security account number  
16      of the representative payee.”.

17          (b) AMENDMENT TO TITLE XVI.—Section  
18      1631(b)(2) of such Act (42 U.S.C. 1383(b)(2)) is amend-  
19      ed by adding at the end the following new sentence: “If  
20      any payment of more than the correct amount is made  
21      to a representative payee on behalf of an individual after  
22      the individual’s death, the representative payee shall be  
23      liable for the repayment of the overpayment, and the Com-  
24      missioner of Social Security shall establish an overpay-



1 ment control record under the social security account  
 2 number of the representative payee.”.

3 (c) EFFECTIVE DATE.—The amendments made by  
 4 this section shall apply to overpayments made 12 months  
 5 or more after the date of the enactment of this Act.

6 **SEC. 202. RECOVERY OF OVERPAYMENTS OF SSI BENEFITS**  
 7 **FROM LUMP SUM SSI BENEFIT PAYMENTS.**

8 (a) IN GENERAL.—Section 1631(b)(1)(B)(ii) of the  
 9 Social Security Act (42 U.S.C. 1383(b)(1)(B)(ii)) is  
 10 amended—

11 (1) by inserting “monthly” before “benefit pay-  
 12 ments”; and

13 (2) by inserting “and in the case of an indi-  
 14 vidual or eligible spouse to whom a lump sum is pay-  
 15 able under this title (including under section  
 16 1616(a) of this Act or under an agreement entered  
 17 into under section 212(a) of Public Law 93–66)  
 18 shall, as at least one means of recovering such over-  
 19 payment, make the adjustment or recovery from the  
 20 lump sum payment in an amount equal to not less  
 21 than the lesser of the amount of the overpayment or  
 22 50 percent of the lump sum payment,” before “un-  
 23 less fraud”.

24 (b) EFFECTIVE DATE.—The amendments made by  
 25 this section shall take effect 12 months after the date of

1 the enactment of this Act and shall apply to amounts in-  
2 correctly paid which remain outstanding on or after such  
3 date.

4 **SEC. 203. ADDITIONAL DEBT COLLECTION PRACTICES.**

5 (a) IN GENERAL.—Section 1631(b) of the Social Se-  
6 curity Act (42 U.S.C. 1383(b)) is amended—

7 (1) by redesignating paragraphs (4) and (5) as  
8 paragraphs (5) and (6), respectively; and

9 (2) by inserting after paragraph (3) the fol-  
10 lowing:

11 “(4)(A) With respect to any delinquent amount, the  
12 Commissioner of Social Security may use the collection  
13 practices described in sections 3711(f), 3716, 3717, and  
14 3718 of title 31, United States Code, and in section 5514  
15 of title 5, United States Code, all as in effect immediately  
16 after the enactment of the Debt Collection Improvement  
17 Act of 1996.

18 “(B) For purposes of subparagraph (A), the term  
19 ‘delinquent amount’ means an amount—

20 “(i) in excess of the correct amount of payment  
21 under this title;

22 “(ii) paid to a person after such person has at-  
23 tained 18 years of age; and

24 “(iii) determined by the Commissioner of Social  
25 Security, under regulations, to be otherwise unre-

1 coverable under this section after such person ceases  
2 to be a beneficiary under this title.”.

3 (b) CONFORMING AMENDMENTS.—Section  
4 3701(d)(2) of title 31, United States Code, is amended  
5 by striking “section 204(f)” and inserting “sections 204(f)  
6 and 1631(b)(4)”.

7 (c) TECHNICAL AMENDMENTS.—Section 204(f) of  
8 the Social Security Act (42 U.S.C. 404(f)) is amended—  
9 (1) by striking “3711(e)” and inserting  
10 “3711(f)”; and

11 (2) by inserting “all” before “as in effect”.

12 (d) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to debt outstanding on or after  
14 the date of the enactment of this Act.

15 **SEC. 204. REQUIREMENT TO PROVIDE STATE PRISONER IN-**  
16 **FORMATION TO FEDERAL AND FEDERALLY**  
17 **ASSISTED BENEFIT PROGRAMS.**

18 Section 1611(e)(1)(I)(ii)(II) of the Social Security  
19 Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)) is amended by strik-  
20 ing “is authorized to” and inserting “shall”.

1 **SEC. 205. RULES RELATING TO COLLECTION OF OVERPAY-**  
 2 **MENTS FROM INDIVIDUALS CONVICTED OF**  
 3 **CRIMES.**

4 (a) WAIVERS INAPPLICABLE TO OVERPAYMENTS BY  
 5 REASON OF PAYMENT IN MONTHS IN WHICH BENE-  
 6 FICIARY IS A PRISONER OR A FUGITIVE.—

7 (1) AMENDMENT TO TITLE II.—Section 204(b)  
 8 of the Social Security Act (42 U.S.C. 404(b)) is  
 9 amended—

10 (A) by inserting “(1)” after “(b)”; and

11 (B) by adding at the end the following:

12 “(2) Paragraph (1) shall not apply with respect to  
 13 any payment to any person made during a month in which  
 14 such benefit was not payable under section 202(x).”.

15 (2) AMENDMENT TO TITLE XVI.—Section  
 16 1631(b)(1)(B)(i) of such Act (42 U.S.C.  
 17 1383(b)(1)(B)(i)) is amended by inserting “unless  
 18 (I) section 1611(e)(1) prohibits payment to the per-  
 19 son of a benefit under this title for the month by  
 20 reason of confinement of a type described in clause  
 21 (i) or (ii) of section 202(x)(1)(A), or (II) section  
 22 1611(e)(5) prohibits payment to the person of a  
 23 benefit under this title for the month,” after “ad-  
 24 ministration of this title,”.

25 (b) TEN-YEAR PERIOD OF INELIGIBILITY FOR PER-  
 26 SONS FAILING TO NOTIFY COMMISSIONER OF OVERPAY-

1 MENTS IN MONTHS IN WHICH BENEFICIARY IS A PRIS-  
2 ONER OR A FUGITIVE OR FAILING TO COMPLY WITH RE-  
3 PAYMENT SCHEDULE FOR SUCH OVERPAYMENTS.—

4 (1) AMENDMENT TO TITLE II.—Section 202(x)  
5 of such Act (42 U.S.C. 402(x)) is amended by add-  
6 ing at the end the following:

7 “(4)(A) No person shall be considered entitled to  
8 monthly insurance benefits under this section based on the  
9 person’s disability or to disability insurance benefits under  
10 section 223 otherwise payable during the 10-year period  
11 that begins on the date the person—

12 “(i) knowingly fails to timely notify the Com-  
13 missioner of Social Security, in connection with any  
14 application for benefits under this title, of any prior  
15 receipt by such person of any benefit under this title  
16 or title XVI in any month in which such benefit was  
17 not payable under the preceding provisions of this  
18 subsection; or

19 “(ii) knowingly fails to comply with any sched-  
20 ule imposed by the Commissioner which is for repay-  
21 ment of overpayments comprised of payments de-  
22 scribed in subparagraph (A) and which is in compli-  
23 ance with section 204.

24 “(B) The Commissioner of Social Security shall, in  
25 addition to any other relevant factors, take into account

1 any mental or linguistic limitations of a person (including  
 2 any lack of facility with the English language) in deter-  
 3 mining whether the person has knowingly failed to comply  
 4 with a requirement of clause (i) or (ii) of subparagraph  
 5 (A).”.

6 (2) AMENDMENT TO TITLE XVI.—Section  
 7 1611(e)(1) of such Act (42 U.S.C. 1382(e)(1)) is  
 8 amended by adding at the end the following:

9 “(J)(i) A person shall not be considered an eligible  
 10 individual or eligible spouse for purposes of benefits under  
 11 this title by reason of disability, during the 10-year period  
 12 that begins on the date the person—

13 “(I) knowingly fails to timely notify the Com-  
 14 missioner of Social Security, in an application for  
 15 benefits under this title, of any prior receipt by the  
 16 person of a benefit under this title or title II in a  
 17 month in which payment to the person of a benefit  
 18 under this title was prohibited by—

19 “(aa) the preceding provisions of this para-  
 20 graph by reason of confinement of a type de-  
 21 scribed in clause (i) or (ii) of section  
 22 202(x)(1)(A); or

23 “(bb) section 1611(e)(4); or

24 “(II) knowingly fails to comply with any sched-  
 25 ule imposed by the Commissioner which is for repay-

1       ment of overpayments comprised of payments de-  
2       scribed in clause (i) of this subparagraph and which  
3       is in compliance with section 1631(b).

4       “(ii) The Commissioner of Social Security shall, in  
5       addition to any other relevant factors, take into account  
6       any mental or linguistic limitations of a person (including  
7       any lack of facility with the English language) in deter-  
8       mining whether the person has knowingly failed to comply  
9       with a requirement of subclause (I) or (II) of clause (i).”.

10       (c) CONTINUED COLLECTION EFFORTS AGAINST  
11 PRISONERS.—

12               (1) AMENDMENT TO TITLE II.—Section 204(b)  
13       of such Act (42 U.S.C. 404(b)), as amended by sub-  
14       section (a)(1) of this section, is amended further by  
15       adding at the end the following new paragraph:

16       “(3) The Commissioner shall not refrain from recov-  
17       ering overpayments from resources currently available to  
18       any overpaid person or to such person’s estate solely be-  
19       cause such individual is confined as described in clause  
20       (i) or (ii) of section 202(x)(1)(A).”.

21               (2) AMENDMENT TO TITLE XVI.—Section  
22       1631(b)(1)(A) of such Act (42 U.S.C.  
23       1383(b)(1)(A)) is amended by adding after and  
24       below clause (ii) the following flush left sentence:

1 “The Commissioner shall not refrain from recovering over-  
 2 payments from resources currently available to any indi-  
 3 vidual solely because the individual is confined as de-  
 4 scribed in clause (i) or (ii) of section 202(x)(1)(A).”.

5 (d) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply to overpayments made in, and to  
 7 benefits payable for, months beginning 24 months or more  
 8 after the date of the enactment of this Act.

9 **SEC. 206. TREATMENT OF ASSETS HELD IN TRUST UNDER**  
 10 **THE SSI PROGRAM.**

11 (a) TREATMENT AS RESOURCE.—Section 1613 of the  
 12 Social Security Act (42 U.S.C. 1382b) is amended by add-  
 13 ing at the end the following:

14 “Trusts

15 “(e)(1) In determining the resources of an individual,  
 16 paragraph (3) shall apply to a trust (other than a trust  
 17 described in paragraph (5)) established by the individual.

18 “(2)(A) For purposes of this subsection, an individual  
 19 shall be considered to have established a trust if any assets  
 20 of the individual (or of the individual’s spouse) are trans-  
 21 ferred to the trust other than by will.

22 “(B) In the case of an irrevocable trust to which are  
 23 transferred the assets of an individual (or of the individ-  
 24 ual’s spouse) and the assets of any other person, this sub-  
 25 section shall apply to the portion of the trust attributable



1 to the assets of the individual (or of the individual's  
2 spouse).

3 “(C) This subsection shall apply to a trust without  
4 regard to—

5 “(i) the purposes for which the trust is estab-  
6 lished;

7 “(ii) whether the trustees have or exercise any  
8 discretion under the trust;

9 “(iii) any restrictions on when or whether dis-  
10 tributions may be made from the trust; or

11 “(iv) any restrictions on the use of distributions  
12 from the trust.

13 “(3)(A) In the case of a revocable trust established  
14 by an individual, the corpus of the trust shall be consid-  
15 ered a resource available to the individual.

16 “(B) In the case of an irrevocable trust established  
17 by an individual, if there are any circumstances under  
18 which payment from the trust could be made to or for  
19 the benefit of the individual or the individual's spouse, the  
20 portion of the corpus from which payment to or for the  
21 benefit of the individual or the individual's spouse could  
22 be made shall be considered a resource available to the  
23 individual.

24 “(4) The Commissioner of Social Security may waive  
25 the application of this subsection with respect to an indi-

1   vidual if the Commissioner determines that such applica-  
2   tion would work an undue hardship (as determined on the  
3   basis of criteria established by the Commissioner) on the  
4   individual.

5       “(5) This subsection shall not apply to a trust de-  
6   scribed in subparagraph (A) or (C) of section 1917(d)(4).

7       “(6) For purposes of this subsection—

8           “(A) the term ‘trust’ includes any legal instru-  
9   ment or device that is similar to a trust;

10          “(B) the term ‘corpus’ means, with respect to  
11   a trust, all property and other interests held by the  
12   trust, including accumulated earnings and any other  
13   addition to the trust after its establishment (except  
14   that such term does not include any such earnings  
15   or addition in the month in which the earnings or  
16   addition is credited or otherwise transferred to the  
17   trust); and

18          “(C) the term ‘asset’ includes any income or re-  
19   source of the individual or of the individual’s spouse,  
20   including—

21           “(i) any income excluded by section  
22           1612(b);

23           “(ii) any resource otherwise excluded by  
24           this section; and

1           “(iii) any other payment or property to  
 2           which the individual or the individual’s spouse  
 3           is entitled but does not receive or have access  
 4           to because of action by—

5                   “(I) the individual or spouse;

6                   “(II) a person or entity (including a  
 7                   court) with legal authority to act in place  
 8                   of, or on behalf of, the individual or  
 9                   spouse; or

10                  “(III) a person or entity (including a  
 11                  court) acting at the direction of, or on the  
 12                  request of, the individual or spouse.”.

13           (b) TREATMENT AS INCOME.—Section 1612(a)(2) of  
 14   such Act (42 U.S.C. 1382a(a)(2)) is amended—

15                  (1) by striking “and” at the end of subpara-  
 16                  graph (E);

17                  (2) by striking the period at the end of sub-  
 18                  paragraph (F) and inserting “; and”; and

19                  (3) by adding at the end the following:

20                   “(G) any earnings of, and additions to, the cor-  
 21                   pus of a trust established by an individual (within  
 22                   the meaning of section 1613(e)), of which the indi-  
 23                   vidual is a beneficiary, to which section 1613(e) ap-  
 24                   plies, and, in the case of an irrevocable trust, with  
 25                   respect to which circumstances exist under which a

1 payment from the earnings or additions could be  
 2 made to or for the benefit of the individual.”.

3 (c) CONFORMING AMENDMENTS.—Section  
 4 1902(a)(10) of the Social Security Act (42 U.S.C.  
 5 1396a(a)(10)) is amended—

6 (1) by striking “and” at the end of subpara-  
 7 graph (E);

8 (2) by adding “and” at the end of subpara-  
 9 graph (F); and

10 (3) by inserting after subparagraph (F) the fol-  
 11 lowing:

12 “(G) that, in applying eligibility criteria of  
 13 the supplemental security income program  
 14 under title XVI for purposes of determining eli-  
 15 gibility for medical assistance under the State  
 16 plan of an individual who is not receiving sup-  
 17 plemental security income, the State will dis-  
 18 regard the provisions of section 1613(e);”.

19 (d) EFFECTIVE DATE.—The amendments made by  
 20 this section shall take effect on January 1, 2000, and shall  
 21 apply to trusts established on or after such date.

22 **SEC. 207. DISPOSAL OF RESOURCES FOR LESS THAN FAIR**  
 23 **MARKET VALUE UNDER THE SSI PROGRAM.**

24 (a) IN GENERAL.—Section 1613(c) of the Social Se-  
 25 curity Act (42 U.S.C. 1382b(c)) is amended—

(1) in the caption, by striking “Notification of Medicaid Policy Restricting Eligibility of Institutionalized Individuals for Benefits Based on”;

(2) in paragraph (1)—

(A) in subparagraph (A)—

(i) by inserting “paragraph (1) and” after “provisions of”;

(ii) by striking “title XIX” the first place it appears and inserting “this title and title XIX, respectively,”;

(iii) by striking “subparagraph (B)” and inserting “clause (ii)”;

(iv) by striking “paragraph (2)” and inserting “subparagraph (B)”;

(B) in subparagraph (B)—

(i) by striking “by the State agency”; and

(ii) by striking “section 1917(c)” and all that follows and inserting “paragraph (1) or section 1917(c).”; and

(C) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) in paragraph (2)—

(A) by striking “(2)” and inserting “(B)”;

and

1 (B) by striking “paragraph (1)(B)” and  
2 inserting “subparagraph (A)(ii)”;

3 (4) by striking “(c)(1)” and inserting “(2)(A)”;

4 and

5 (5) by inserting before paragraph (2) (as so re-  
6 designated by paragraph (4) of this subsection) the  
7 following:

8 “(c)(1)(A)(i) If an individual or the spouse of an indi-  
9 vidual disposes of resources for less than fair market value  
10 on or after the look-back date described in clause (ii)(I),  
11 the individual is ineligible for benefits under this title for  
12 months during the period beginning on the date described  
13 in clause (iii) and equal to the number of months cal-  
14 culated as provided in clause (iv).

15 “(ii)(I) The look-back date described in this sub-  
16 clause is a date that is 36 months before the date de-  
17 scribed in subclause (II).

18 “(II) The date described in this subclause is the date  
19 on which the individual applies for benefits under this title  
20 or, if later, the date on which the individual (or the spouse  
21 of the individual) disposes of resources for less than fair  
22 market value.

23 “(iii) The date described in this clause is the first  
24 day of the first month in or after which resources were  
25 disposed of for less than fair market value and which does

1 not occur in any other period of ineligibility under this  
2 paragraph.

3 “(iv) The number of months calculated under this  
4 clause shall be equal to—

5 “(I) the total, cumulative uncompensated value  
6 of all resources so disposed of by the individual (or  
7 the spouse of the individual) on or after the look-  
8 back date described in clause (ii)(I); divided by

9 “(II) the amount of the maximum monthly ben-  
10 efit payable under section 1611(b), plus the amount  
11 (if any) of the maximum State supplementary pay-  
12 ment corresponding to the State’s payment level ap-  
13 plicable to the individual’s living arrangement and  
14 eligibility category that would otherwise be payable  
15 to the individual by the Commissioner pursuant to  
16 an agreement under section 1616(a) of this Act or  
17 section 212(b) of Public Law 93–66, for the month  
18 in which occurs the date described in clause (ii)(II),  
19 rounded, in the case of any fraction, to the nearest whole  
20 number, but shall not in any case exceed 36 months.

21 “(B)(i) Notwithstanding subparagraph (A), this sub-  
22 section shall not apply to a transfer of a resource to a  
23 trust if the portion of the trust attributable to the resource  
24 is considered a resource available to the individual pursu-

1 ant to subsection (e)(3) (or would be so considered but  
2 for the application of subsection (e)(4)).

3 “(ii) In the case of a trust established by an indi-  
4 vidual or an individual’s spouse (within the meaning of  
5 subsection (e)), if from such portion of the trust, if any,  
6 that is considered a resource available to the individual  
7 pursuant to subsection (e)(3) (or would be so considered  
8 but for the application of subsection (e)(4)) or the residue  
9 of the portion on the termination of the trust—

10 “(I) there is made a payment other than to or  
11 for the benefit of the individual; or

12 “(II) no payment could under any circumstance  
13 be made to the individual,

14 then, for purposes of this subsection, the payment de-  
15 scribed in clause (I) or the foreclosure of payment de-  
16 scribed in clause (II) shall be considered a transfer of re-  
17 sources by the individual or the individual’s spouse as of  
18 the date of the payment or foreclosure, as the case may  
19 be.

20 “(C) An individual shall not be ineligible for benefits  
21 under this title by reason of the application of this para-  
22 graph to a disposal of resources by the individual or the  
23 spouse of the individual, to the extent that—

24 “(i) the resources are a home and title to the  
25 home was transferred to—



1           “(I) the spouse of the transferor;

2           “(II) a child of the transferor who has not  
3 attained 21 years of age, or is blind or disabled;

4           “(III) a sibling of the transferor who has  
5 an equity interest in such home and who was  
6 residing in the transferor’s home for a period of  
7 at least 1 year immediately before the date the  
8 transferor becomes an institutionalized indi-  
9 vidual; or

10           “(IV) a son or daughter of the transferor  
11 (other than a child described in subclause (II))  
12 who was residing in the transferor’s home for  
13 a period of at least 2 years immediately before  
14 the date the transferor becomes an institu-  
15 tionalized individual, and who provided care to  
16 the transferor which permitted the transferor to  
17 reside at home rather than in such an institu-  
18 tion or facility;

19           “(ii) the resources—

20           “(I) were transferred to the transferor’s  
21 spouse or to another for the sole benefit of the  
22 transferor’s spouse;

23           “(II) were transferred from the trans-  
24 feror’s spouse to another for the sole benefit of  
25 the transferor’s spouse;

1           “(III) were transferred to, or to a trust  
2           (including a trust described in section  
3           1917(d)(4)) established solely for the benefit of,  
4           the transferor’s child who is blind or disabled;  
5           or

6           “(IV) were transferred to a trust (includ-  
7           ing a trust described in section 1917(d)(4)) es-  
8           tablished solely for the benefit of an individual  
9           who has not attained 65 years of age and who  
10          is disabled;

11          “(iii) a satisfactory showing is made to the  
12          Commissioner of Social Security (in accordance with  
13          regulations promulgated by the Commissioner)  
14          that—

15               “(I) the individual who disposed of the re-  
16               sources intended to dispose of the resources ei-  
17               ther at fair market value, or for other valuable  
18               consideration;

19               “(II) the resources were transferred exclu-  
20               sively for a purpose other than to qualify for  
21               benefits under this title; or

22               “(III) all resources transferred for less  
23               than fair market value have been returned to  
24               the transferor; or

1           “(iv) the Commissioner determines, under pro-  
2           cedures established by the Commissioner, that the  
3           denial of eligibility would work an undue hardship as  
4           determined on the basis of criteria established by the  
5           Commissioner.

6           “(D) For purposes of this subsection, in the case of  
7           a resource held by an individual in common with another  
8           person or persons in a joint tenancy, tenancy in common,  
9           or similar arrangement, the resource (or the affected por-  
10          tion of such resource) shall be considered to be disposed  
11          of by the individual when any action is taken, either by  
12          the individual or by any other person, that reduces or  
13          eliminates the individual’s ownership or control of such re-  
14          source.

15          “(E) In the case of a transfer by the spouse of an  
16          individual that results in a period of ineligibility for the  
17          individual under this subsection, the Commissioner shall  
18          apportion the period (or any portion of the period) among  
19          the individual and the individual’s spouse if the spouse be-  
20          comes eligible for benefits under this title.

21          “(F) For purposes of this paragraph—

22                 “(i) the term ‘benefits under this title’ includes  
23                 payments of the type described in section 1616(a) of  
24                 this Act and of the type described in section 212(b)  
25                 of Public Law 93–66;

1 “(ii) the term ‘institutionalized individual’ has  
2 the meaning given such term in section 1917(e)(3);  
3 and

4 “(iii) the term ‘trust’ has the meaning given  
5 such term in subsection (e)(6)(A) of this section.”.

6 (b) CONFORMING AMENDMENT.—Section  
7 1902(a)(10) of the Social Security Act (42 U.S.C.  
8 1396a(a)(10)), as amended by section 206(e) of this Act,  
9 is amended by striking “section 1613(e)” and inserting  
10 “subsections (c) and (e) of section 1613”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall be effective with respect to disposals  
13 made on or after the date of the enactment of this Act.

14 **SEC. 208. ADMINISTRATIVE PROCEDURE FOR IMPOSING**  
15 **PENALTIES FOR FALSE OR MISLEADING**  
16 **STATEMENTS.**

17 (a) IN GENERAL.—Part A of title XI of the Social  
18 Security Act (42 U.S.C. 1301 et seq.) is amended by in-  
19 serting after section 1129 the following:

20 **“SEC. 1129A. ADMINISTRATIVE PROCEDURE FOR IMPOSING**  
21 **PENALTIES FOR FALSE OR MISLEADING**  
22 **STATEMENTS.**

23 “(a) IN GENERAL.—Any person who makes, or  
24 causes to be made, a statement or representation of a ma-

1 terial fact for use in determining any initial or continuing  
2 right to or the amount of—

3 “(1) monthly insurance benefits under title II;

4 or

5 “(2) benefits or payments under title XVI,

6 that the person knows or should know is false or mis-  
7 leading or knows or should know omits a material fact  
8 or makes such a statement with knowing disregard for the  
9 truth shall be subject to, in addition to any other penalties  
10 that may be prescribed by law, a penalty described in sub-  
11 section (b) to be imposed by the Commissioner of Social  
12 Security.

13 “(b) PENALTY.—The penalty described in this sub-  
14 section is—

15 “(1) nonpayment of benefits under title II that  
16 would otherwise be payable to the person; and

17 “(2) ineligibility for cash benefits under title  
18 XVI,

19 for each month that begins during the applicable period  
20 described in subsection (c).

21 “(c) DURATION OF PENALTY.—The duration of the  
22 applicable period, with respect to a determination by the  
23 Commissioner under subsection (a) that a person has en-  
24 gaged in conduct described in subsection (a), shall be—

1           “(1) six consecutive months, in the case of a  
2           first such determination with respect to the person;

3           “(2) twelve consecutive months, in the case of  
4           a second such determination with respect to the per-  
5           son; and

6           “(3) twenty-four consecutive months, in the  
7           case of a third or subsequent such determination  
8           with respect to the person.

9           “(d) EFFECT ON OTHER ASSISTANCE.—A person  
10          subject to a period of nonpayment of benefits under title  
11          II or ineligibility for title XVI benefits by reason of this  
12          section nevertheless shall be considered to be eligible for  
13          and receiving such benefits, to the extent that the person  
14          would be receiving or eligible for such benefits but for the  
15          imposition of the penalty, for purposes of—

16               “(1) determination of the eligibility of the per-  
17               son for benefits under titles XVIII and XIX; and

18               “(2) determination of the eligibility or amount  
19               of benefits payable under title II or XVI to another  
20               person.

21           “(e) DEFINITION.—In this section, the term ‘benefits  
22          under title XVI’ includes State supplementary payments  
23          made by the Commissioner pursuant to an agreement  
24          under section 1616(a) of this Act or section 212(b) of  
25          Public Law 93–66.

1       “(f) CONSULTATIONS.—The Commissioner of Social  
 2 Security shall consult with the Inspector General of the  
 3 Social Security Administration regarding initiating actions  
 4 under this section.”.

5       (b) CONFORMING AMENDMENT PRECLUDING DE-  
 6 LAYED RETIREMENT CREDIT FOR ANY MONTH TO WHICH  
 7 A NONPAYMENT OF BENEFITS PENALTY APPLIES.—Sec-  
 8 tion 202(w)(2)(B) of such Act (42 U.S.C. 402(w)(2)(B))  
 9 is amended—

10           (1) by striking “and” at the end of clause (i);

11           (2) by striking the period at the end of clause

12           (ii) and inserting “, and”; and

13           (3) by adding at the end the following:

14                   “(iii) such individual was not subject to a  
 15                   penalty imposed under section 1129A.”.

16       (c) ELIMINATION OF REDUNDANT PROVISION.—Sec-  
 17 tion 1611(e) of such Act (42 U.S.C. 1382(e)) is  
 18 amended—

19           (1) by striking paragraph (4);

20           (2) in paragraph (6)(A)(i), by striking “(5)”  
 21           and inserting “(4)”; and

22           (3) by redesignating paragraphs (5) and (6) as  
 23           paragraphs (4) and (5), respectively.

24       (d) REGULATIONS.—Within 6 months after the date  
 25 of the enactment of this Act, the Commissioner of Social

1 Security shall develop regulations that prescribe the ad-  
 2 ministrative process for making determinations under sec-  
 3 tion 1129A of the Social Security Act (including when the  
 4 applicable period in subsection (c) of such section shall  
 5 commence), and shall provide guidance on the exercise of  
 6 discretion as to whether the penalty should be imposed  
 7 in particular cases.

8 (e) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to statements and representations  
 10 made on or after the date of the enactment of this Act.

11 **SEC. 209. EXCLUSION OF REPRESENTATIVES AND HEALTH**  
 12 **CARE PROVIDERS CONVICTED OF VIOLA-**  
 13 **TIONS FROM PARTICIPATION IN SOCIAL SE-**  
 14 **CURITY PROGRAMS.**

15 (a) IN GENERAL.—Part A of title XI of the Social  
 16 Security Act (42 U.S.C. 1301–1320b–17) is amended by  
 17 adding at the end the following:

18 “EXCLUSION OF REPRESENTATIVES AND HEALTH CARE  
 19 PROVIDERS CONVICTED OF VIOLATIONS FROM PAR-  
 20 TICIPATION IN SOCIAL SECURITY PROGRAMS

21 “SEC. 1148. (a) IN GENERAL.—The Commissioner  
 22 of Social Security shall exclude from participation in the  
 23 social security programs any representative or health care  
 24 provider—

25 “(1) who is convicted of a violation of section  
 26 208 or 1632 of this Act;



1           “(2) who is convicted of any violation under  
2           title 18, United States Code, relating to an initial  
3           application for or continuing entitlement to, or  
4           amount of, benefits under title II of this Act, or an  
5           initial application for or continuing eligibility for, or  
6           amount of, benefits under title XVI of this Act; or

7           “(3) who the Commissioner determines has  
8           committed an offense described in section  
9           1129(a)(1) of this Act.

10          “(b) NOTICE, EFFECTIVE DATE, AND PERIOD OF  
11          EXCLUSION.—(1) An exclusion under this section shall be  
12          effective at such time, for such period, and upon such rea-  
13          sonable notice to the public and to the individual excluded  
14          as may be specified in regulations consistent with para-  
15          graph (2).

16          “(2) Such an exclusion shall be effective with respect  
17          to services furnished to any individual on or after the ef-  
18          fective date of the exclusion. Nothing in this section may  
19          be construed to preclude, in determining disability under  
20          title II or title XVI, consideration of any medical evidence  
21          derived from services provided by a health care provider  
22          before the effective date of the exclusion of the health care  
23          provider under this section.

1       “(3)(A) The Commissioner shall specify, in the notice  
2 of exclusion under paragraph (1), the period of the exclu-  
3 sion.

4       “(B) Subject to subparagraph (C), in the case of an  
5 exclusion under subsection (a), the minimum period of ex-  
6 clusion shall be five years, except that the Commissioner  
7 may waive the exclusion in the case of an individual who  
8 is the sole source of essential services in a community. The  
9 Commissioner’s decision whether to waive the exclusion  
10 shall not be reviewable.

11       “(C) In the case of an exclusion of an individual  
12 under subsection (a) based on a conviction or a determina-  
13 tion described in subsection (a)(3) occurring on or after  
14 the date of the enactment of this section, if the individual  
15 has (before, on, or after such date of the enactment) been  
16 convicted, or if such a determination has been made with  
17 respect to the individual—

18               “(i) on one previous occasion of one or more of-  
19 fenses for which an exclusion may be effected under  
20 such subsection, the period of the exclusion shall be  
21 not less than 10 years; or

22               “(ii) on two or more previous occasions of one  
23 or more offenses for which an exclusion may be ef-  
24 fected under such subsection, the period of the ex-  
25 clusion shall be permanent.

1       “(c) NOTICE TO STATE AGENCIES.—The Commis-  
2 sioner shall promptly notify each appropriate State agency  
3 employed for the purpose of making disability determina-  
4 tions under section 221 or 1633(a)—

5               “(1) of the fact and circumstances of each ex-  
6 clusion effected against an individual under this sec-  
7 tion; and

8               “(2) of the period (described in subsection  
9 (b)(3)) for which the State agency is directed to ex-  
10 clude the individual from participation in the activi-  
11 ties of the State agency in the course of its employ-  
12 ment.

13       “(d) NOTICE TO STATE LICENSING AGENCIES.—The  
14 Commissioner shall—

15               “(1) promptly notify the appropriate State or  
16 local agency or authority having responsibility for  
17 the licensing or certification of an individual ex-  
18 cluded from participation under this section of the  
19 fact and circumstances of the exclusion;

20               “(2) request that appropriate investigations be  
21 made and sanctions invoked in accordance with ap-  
22 plicable State law and policy; and

23               “(3) request that the State or local agency or  
24 authority keep the Commissioner and the Inspector  
25 General of the Social Security Administration fully

1       and currently informed with respect to any actions  
2       taken in response to the request.

3       “(e) NOTICE, HEARING, AND JUDICIAL REVIEW.—

4   (1) Any individual who is excluded (or directed to be ex-  
5   cluded) from participation under this section is entitled  
6   to reasonable notice and opportunity for a hearing thereon  
7   by the Commissioner to the same extent as is provided  
8   in section 205(b), and to judicial review of the Commis-  
9   sioner’s final decision after such hearing as is provided  
10  in section 205(g).

11       “(2) The provisions of section 205(h) shall apply with  
12   respect to this section to the same extent as it is applicable  
13   with respect to title II.

14       “(f) APPLICATION FOR TERMINATION OF EXCLU-  
15   SION.—(1) An individual excluded from participation  
16   under this section may apply to the Commissioner, in the  
17   manner specified by the Commissioner in regulations and  
18   at the end of the minimum period of exclusion provided  
19   under subsection (b)(3) and at such other times as the  
20   Commissioner may provide, for termination of the exclu-  
21   sion effected under this section.

22       “(2) The Commissioner may terminate the exclusion  
23   if the Commissioner determines, on the basis of the con-  
24   duct of the applicant which occurred after the date of the

1 notice of exclusion or which was unknown to the Commis-  
2 sioner at the time of the exclusion, that—

3 “(A) there is no basis under subsection (a) for  
4 a continuation of the exclusion; and

5 “(B) there are reasonable assurances that the  
6 types of actions which formed the basis for the origi-  
7 nal exclusion have not recurred and will not recur.

8 “(3) The Commissioner shall promptly notify each  
9 State agency employed for the purpose of making dis-  
10 ability determinations under section 221 or 1633(a) of the  
11 fact and circumstances of each termination of exclusion  
12 made under this subsection.

13 “(g) AVAILABILITY OF RECORDS OF EXCLUDED  
14 REPRESENTATIVES AND HEALTH CARE PROVIDERS.—  
15 Nothing in this section shall be construed to have the ef-  
16 fect of limiting access by any applicant or beneficiary  
17 under title II or XVI, any State agency acting under sec-  
18 tion 221 or 1633(a), or the Commissioner to records main-  
19 tained by any representative or health care provider in  
20 connection with services provided to the applicant or bene-  
21 ficiary prior to the exclusion of such representative or  
22 health care provider under this section.

23 “(h) REPORTING REQUIREMENT.—Any representa-  
24 tive or health care provider participating in, or seeking  
25 to participate in, a social security program shall inform

1 the Commissioner, in such form and manner as the Com-  
2 missioner shall prescribe by regulation, whether such rep-  
3 resentative or health care provider has been convicted of  
4 a violation described in subsection (a).

5 “(i) DELEGATION OF AUTHORITY.—The Commis-  
6 sioner may delegate authority granted by this section to  
7 the Inspector General.

8 “(j) DEFINITIONS.—For purposes of this section:

9 “(1) EXCLUDE.—The term ‘exclude’ from par-  
10 ticipation means—

11 “(A) in connection with a representative,  
12 to prohibit from engaging in representation of  
13 an applicant for, or recipient of, benefits, as a  
14 representative payee under section 205(j) or  
15 1631(a)(2)(A)(ii), or otherwise as a representa-  
16 tive, in any hearing or other proceeding relating  
17 to entitlement to benefits; and

18 “(B) in connection with a health care pro-  
19 vider, to prohibit from providing items or serv-  
20 ices to an applicant for, or recipient of, benefits  
21 for the purpose of assisting such applicant or  
22 recipient in demonstrating disability.

23 “(2) SOCIAL SECURITY PROGRAM.—The term  
24 ‘social security programs’ means the program pro-  
25 viding for monthly insurance benefits under title II,

1 and the program providing for monthly supplemental  
2 security income benefits to individuals under title  
3 XVI (including State supplementary payments made  
4 by the Commissioner pursuant to an agreement  
5 under section 1616(a) of this Act or section 212(b)  
6 of Public Law 93–66).

7 “(3) CONVICTED.—An individual is considered  
8 to have been ‘convicted’ of a violation—

9 “(A) when a judgment of conviction has  
10 been entered against the individual by a Fed-  
11 eral, State, or local court, except if the judg-  
12 ment of conviction has been set aside or ex-  
13 punged;

14 “(B) when there has been a finding of  
15 guilt against the individual by a Federal, State,  
16 or local court;

17 “(C) when a plea of guilty or nolo  
18 contendere by the individual has been accepted  
19 by a Federal, State, or local court; or

20 “(D) when the individual has entered into  
21 participation in a first offender, deferred adju-  
22 dication, or other arrangement or program  
23 where judgment of conviction has been with-  
24 held.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply with respect to convictions of viola-  
3 tions described in paragraphs (1) and (2) of section  
4 1148(a) of the Social Security Act and determinations de-  
5 scribed in paragraph (3) of such section occurring on or  
6 after the date of the enactment of this Act.

7 **SEC. 210. STATE DATA EXCHANGES.**

8 Whenever the Commissioner of Social Security re-  
9 quests information from a State for the purpose of  
10 ascertaining an individual's eligibility for benefits (or the  
11 correct amount of such benefits) under title II or XVI of  
12 the Social Security Act, the standards of the Commis-  
13 sioner promulgated pursuant to section 1106 of such Act  
14 or any other Federal law for the use, safeguarding, and  
15 disclosure of information are deemed to meet any stand-  
16 ards of the State that would otherwise apply to the disclo-  
17 sure of information by the State to the Commissioner.

18 **SEC. 211. STUDY ON POSSIBLE MEASURES TO IMPROVE**  
19 **FRAUD PREVENTION AND ADMINISTRATIVE**  
20 **PROCESSING.**

21 (a) STUDY.—As soon as practicable after the date of  
22 the enactment of this Act, the Commissioner of Social Se-  
23 curity, in consultation with the Inspector General of the  
24 Social Security Administration and the Attorney General,  
25 shall conduct a study of possible measures to improve—



1           (1) prevention of fraud on the part of individ-  
2           uals entitled to disability benefits under section 223  
3           of the Social Security Act or benefits under section  
4           202 of such Act based on the beneficiary's disability,  
5           individuals eligible for supplemental security income  
6           benefits under title XVI of such Act, and applicants  
7           for any such benefits; and

8           (2) timely processing of reported income  
9           changes by individuals receiving such benefits.

10          (b) REPORT.—Not later than 1 year after the date  
11       of the enactment of this Act, the Commissioner shall sub-  
12       mit to the Committee on Ways and Means of the House  
13       of Representatives and the Committee on Finance of the  
14       Senate a written report that contains the results of the  
15       Commissioner's study under subsection (a). The report  
16       shall contain such recommendations for legislative and ad-  
17       ministrative changes as the Commissioner considers ap-  
18       propriate.

19       **SEC. 212. ANNUAL REPORT ON AMOUNTS NECESSARY TO**  
20                               **COMBAT FRAUD.**

21          (a) IN GENERAL.—Section 704(b)(1) of the Social  
22       Security Act (42 U.S.C. 904(b)(1)) is amended—

23               (1) by inserting “(A)” after “(b)(1)”; and

24               (2) by adding at the end the following new sub-  
25       paragraph:

1 “(B) The Commissioner shall include in the annual  
2 budget prepared pursuant to subparagraph (A) an  
3 itemization of the amount of funds required by the Social  
4 Security Administration for the fiscal year covered by the  
5 budget to support efforts to combat fraud committed by  
6 applicants and beneficiaries.”.

7 (b) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply with respect to annual budgets pre-  
9 pared for fiscal years after fiscal year 1999.

10 **SEC. 213. COMPUTER MATCHES WITH MEDICARE AND MED-**  
11 **ICAID INSTITUTIONALIZATION DATA.**

12 (a) IN GENERAL.—Section 1611(e)(1) of the Social  
13 Security Act (42 U.S.C. 1382(e)(1)), as amended by sec-  
14 tion 205(b)(2) of this Act, is further amended by adding  
15 at the end the following:

16 “(K) For the purpose of carrying out this paragraph,  
17 the Commissioner of Social Security shall conduct periodic  
18 computer matches with data maintained by the Secretary  
19 of Health and Human Services under title XVIII or XIX.  
20 The Secretary shall furnish to the Commissioner, in such  
21 form and manner and under such terms as the Commis-  
22 sioner and the Secretary shall mutually agree, such infor-  
23 mation as the Commissioner may request for this purpose.  
24 Information obtained pursuant to such a match may be

1 substituted for the physician’s certification otherwise re-  
 2 quired under subparagraph (G)(i).”.

3 (b) CONFORMING AMENDMENT.—Section  
 4 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is  
 5 amended by striking “subparagraph (H)” and inserting  
 6 “subparagraph (H) or (K)”.

7 **SEC. 214. ACCESS TO INFORMATION HELD BY FINANCIAL**  
 8 **INSTITUTIONS.**

9 Section 1631(e)(1)(B) of the Social Security Act (42  
 10 U.S.C. 1383(e)(1)(B)) is amended—

11 (1) by striking “(B) The” and inserting “(B)(i)  
 12 The”; and

13 (2) by adding at the end the following new  
 14 clause:

15 “(ii)(I) The Commissioner of Social Security may re-  
 16 quire each applicant for, or recipient of, benefits under  
 17 this title to provide authorization by the applicant or re-  
 18 cipient (or by any other person whose income or resources  
 19 are material to the determination of the eligibility of the  
 20 applicant or recipient for such benefits) for the Commis-  
 21 sioner to obtain (subject to the cost reimbursement re-  
 22 quirements of section 1115(a) of the Right to Financial  
 23 Privacy Act) from any financial institution (within the  
 24 meaning of section 1101(1) of such Act) any financial  
 25 record (within the meaning of section 1101(2) of such

1 Act) held by the institution with respect to the applicant  
2 or recipient (or any such other person) whenever the Com-  
3 missioner determines the record is needed in connection  
4 with a determination with respect to such eligibility or the  
5 amount of such benefits.

6 “(II) Notwithstanding section 1104(a)(1) of the  
7 Right to Financial Privacy Act, an authorization provided  
8 by an applicant or recipient (or any other person whose  
9 income or resources are material to the determination of  
10 the eligibility of the applicant or recipient) pursuant to  
11 subclause (I) of this clause shall remain effective until the  
12 earliest of—

13 “(aa) the rendering of a final adverse decision  
14 on the applicant’s application for eligibility for bene-  
15 fits under this title;

16 “(bb) the cessation of the recipient’s eligibility  
17 for benefits under this title; or

18 “(cc) the express revocation by the applicant or  
19 recipient (or such other person referred to in sub-  
20 clause (I)) of the authorization, in a written notifica-  
21 tion to the Commissioner.

22 “(III)(aa) An authorization obtained by the Commis-  
23 sioner of Social Security pursuant to this clause shall be  
24 considered to meet the requirements of the Right to Fi-  
25 nancial Privacy Act for purposes of section 1103(a) of

1 such Act, and need not be furnished to the financial insti-  
2 tution, notwithstanding section 1104(a) of such Act.

3 “(bb) The certification requirements of section  
4 1103(b) of the Right to Financial Privacy Act shall not  
5 apply to requests by the Commissioner of Social Security  
6 pursuant to an authorization provided under this clause.

7 “(cc) A request by the Commissioner pursuant to an  
8 authorization provided under this clause is deemed to meet  
9 the requirements of section 1104(a)(3) of the Right to Fi-  
10 nancial Privacy Act and the flush language of section  
11 1102 of such Act.

12 “(IV) The Commissioner shall inform any person who  
13 provides authorization pursuant to this clause of the dura-  
14 tion and scope of the authorization.

15 “(V) If an applicant for, or recipient of, benefits  
16 under this title (or any such other person referred to in  
17 subclause (I)) refuses to provide, or revokes, any author-  
18 ization made by the applicant or recipient for the Commis-  
19 sioner of Social Security to obtain from any financial insti-  
20 tution any financial record, the Commissioner may, on  
21 that basis, determine that the applicant or recipient is in-  
22 eligible for benefits under this title.”.

1     **Subtitle B—Special Benefits For**  
 2     **Certain World War II Veterans**

3     **SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BEN-**  
 4                     **EFITS FOR CERTAIN WORLD WAR II VET-**  
 5                     **ERANS.**

6             (a) IN GENERAL.—The Social Security Act is amend-  
 7     ed by inserting after title VII the following:

8     **“TITLE VIII—SPECIAL BENEFITS**  
 9         **FOR CERTAIN WORLD WAR II**  
 10        **VETERANS**

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“Sec. 801. Basic entitlement to benefits.  
 “Sec. 802. Qualified individuals.  
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 “Sec. 807. Representative payees.  
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 “Sec. 813. Appropriations.

11    **“SEC. 801. BASIC ENTITLEMENT TO BENEFITS.**

12             “Every individual who is a qualified individual under  
 13     section 802 shall, in accordance with and subject to the  
 14     provisions of this title, be entitled to a monthly benefit  
 15     paid by the Commissioner of Social Security for each  
 16     month after September 2000 (or such earlier month, if  
 17     the Commissioner determines is administratively feasible)  
 18     the individual resides outside the United States.

1 **“SEC. 802. QUALIFIED INDIVIDUALS.**

2 “Except as otherwise provided in this title, an  
3 individual—

4 “(1) who has attained the age of 65 on or be-  
5 fore the date of the enactment of this title;

6 “(2) who is a World War II veteran;

7 “(3) who is eligible for a supplemental security  
8 income benefit under title XVI for—

9 “(A) the month in which this title is en-  
10 acted; and

11 “(B) the month in which the individual  
12 files an application for benefits under this title;

13 “(4) whose total benefit income is less than 75  
14 percent of the Federal benefit rate under title XVI;

15 “(5) who has filed an application for benefits  
16 under this title; and

17 “(6) who is in compliance with all requirements  
18 imposed by the Commissioner of Social Security  
19 under this title,

20 shall be a qualified individual for purposes of this title.

21 **“SEC. 803. RESIDENCE OUTSIDE THE UNITED STATES.**

22 For purposes of section 801, with respect to any  
23 month, an individual shall be regarded as residing outside  
24 the United States if, on the first day of the month, the  
25 individual so resides outside the United States.

1 **“SEC. 804. DISQUALIFICATIONS.**

2 “Notwithstanding section 802, an individual may not  
3 be a qualified individual for any month—

4 “(1) that begins after the month in which the  
5 Commissioner of Social Security is notified by the  
6 Attorney General that the individual has been re-  
7 moved from the United States pursuant to section  
8 237(a) of the Immigration and Nationality Act and  
9 before the month in which the Commissioner of So-  
10 cial Security is notified by the Attorney General that  
11 the individual is lawfully admitted to the United  
12 States for permanent residence;

13 “(2) during any part of which the individual is  
14 outside the United States due to flight to avoid pros-  
15 ecution, or custody or confinement after conviction,  
16 under the laws of the United States or the jurisdic-  
17 tion within the United States from which the person  
18 has fled, for a crime, or an attempt to commit a  
19 crime, that is a felony under the laws of the place  
20 from which the individual has fled, or which, in the  
21 case of the State of New Jersey, is a high mis-  
22 demeanor under the laws of such State;

23 “(3) during any part of which which the indi-  
24 vidual violates a condition of probation or parole im-  
25 posed under Federal or State law; or



1           “(4) during any part of which the individual is  
2           confined in a jail, prison, or other penal institution  
3           or correctional facility pursuant to a conviction of an  
4           offense.

5   **“SEC. 805. BENEFIT AMOUNT.**

6           “The benefit under this title payable to a qualified  
7   individual for any month shall be in an amount equal to  
8   75 percent of the Federal benefit rate under title XVI for  
9   the month, reduced by the amount of the qualified individ-  
10   ual’s benefit income for the month.

11   **“SEC. 806. APPLICATIONS AND FURNISHING OF INFORMA-**  
12                           **TION.**

13           “(a) IN GENERAL.—The Commissioner of Social Se-  
14   curity shall, subject to subsection (b), prescribe such re-  
15   quirements with respect to the filing of applications, the  
16   furnishing of information and other material, and the re-  
17   porting of events and changes in circumstances, as may  
18   be necessary for the effective and efficient administration  
19   of this title.

20           “(b) VERIFICATION REQUIREMENT.—The require-  
21   ments prescribed by the Commissioner of Social Security  
22   under subsection (a) shall preclude any determination of  
23   entitlement to benefits under this title solely on the basis  
24   of declarations by the individual concerning qualifications  
25   or other material facts, and shall provide for verification

1 of material information from independent or collateral  
2 sources, and the procurement of additional information as  
3 necessary in order to ensure that the benefits are provided  
4 only to qualified individuals (or their representative pay-  
5 ees) in correct amounts.

6 **“SEC. 807. REPRESENTATIVE PAYEES.**

7       “(a) IN GENERAL.—If the Commissioner of Social  
8 Security determines that the interest of any qualified indi-  
9 vidual under this title would be served thereby, payment  
10 of the qualified individual’s benefit under this title may  
11 be made, regardless of the legal competency or incom-  
12 petency of the qualified individual, either directly to the  
13 qualified individual, or for his or her benefit, to another  
14 person (the meaning of which term, for purposes of this  
15 section, includes an organization) with respect to whom  
16 the requirements of subsection (b) have been met (in this  
17 section referred to as the qualified individual’s ‘representa-  
18 tive payee’). If the Commissioner of Social Security deter-  
19 mines that a representative payee has misused any benefit  
20 paid to the representative payee pursuant to this section,  
21 section 205(j), or section 1631(a)(2), the Commissioner  
22 of Social Security shall promptly revoke the person’s des-  
23 ignation as the qualified individual’s representative payee  
24 under this subsection, and shall make payment to an alter-  
25 native representative payee or, if the interest of the quali-

1 fied individual under this title would be served thereby,  
2 to the qualified individual.

3 “(b) EXAMINATION OF FITNESS OF PROSPECTIVE  
4 REPRESENTATIVE PAYEE.—

5 “(1) Any determination under subsection (a) to  
6 pay the benefits of a qualified individual to a rep-  
7 resentative payee shall be made on the basis of—

8 “(A) an investigation by the Commissioner  
9 of Social Security of the person to serve as rep-  
10 resentative payee, which shall be conducted in  
11 advance of the determination and shall, to the  
12 extent practicable, include a face-to-face inter-  
13 view with the person (or, in the case of an orga-  
14 nization, a representative of the organization);  
15 and

16 “(B) adequate evidence that the arrange-  
17 ment is in the interest of the qualified indi-  
18 vidual.

19 “(2) As part of the investigation referred to in  
20 paragraph (1), the Commissioner of Social Security  
21 shall—

22 “(A) require the person being investigated  
23 to submit documented proof of the identity of  
24 the person;

1           “(B) in the case of a person who has a so-  
2           cial security account number issued for pur-  
3           poses of the program under title II or an em-  
4           ployer identification number issued for purposes  
5           of the Internal Revenue Code of 1986, verify  
6           the number;

7           “(C) determine whether the person has  
8           been convicted of a violation of section 208,  
9           811, or 1632; and

10          “(D) determine whether payment of bene-  
11          fits to the person in the capacity as representa-  
12          tive payee has been revoked or terminated pur-  
13          suant to this section, section 205(j), or section  
14          1631(a)(2)(A)(iii) by reason of misuse of funds  
15          paid as benefits under this title, title II, or title  
16          XVI, respectively.

17          “(c) REQUIREMENT FOR CENTRALIZED FILE.—The  
18          Commissioner of Social Security shall establish and main-  
19          tain a centralized file, which shall be updated periodically  
20          and which shall be in a form that renders it readily retriev-  
21          able by each servicing office of the Social Security Admin-  
22          istration. The file shall consist of—

23               “(1) a list of the names and social security ac-  
24               count numbers or employer identification numbers  
25               (if issued) of all persons with respect to whom, in

1 the capacity of representative payee, the payment of  
2 benefits has been revoked or terminated under this  
3 section, section 205(j), or section 1631(a)(2)(A)(iii)  
4 by reason of misuse of funds paid as benefits under  
5 this title, title II, or title XVI, respectively; and

6 “(2) a list of the names and social security ac-  
7 count numbers or employer identification numbers  
8 (if issued) of all persons who have been convicted of  
9 a violation of section 208, 811, or 1632.

10 “(d) PERSONS INELIGIBLE TO SERVE AS REP-  
11 RESENTATIVE PAYEES.—

12 “(1) IN GENERAL.—The benefits of a qualified  
13 individual may not be paid to any other person pur-  
14 suant to this section if—

15 “(A) the person has been convicted of a  
16 violation of section 208, 811, or 1632;

17 “(B) except as provided in paragraph (2),  
18 payment of benefits to the person in the capac-  
19 ity of representative payee has been revoked or  
20 terminated under this section, section 205(j), or  
21 section 1631(a)(2)(A)(ii) by reason of misuse of  
22 funds paid as benefits under this title, title II,  
23 or title XVI, respectively; or

24 “(C) except as provided in paragraph  
25 (2)(B), the person is a creditor of the qualified

1 individual and provides the qualified individual  
2 with goods or services for consideration.

3 “(2) EXEMPTIONS.—

4 “(A) The Commissioner of Social Security  
5 may prescribe circumstances under which the  
6 Commissioner of Social Security may grant an  
7 exemption from paragraph (1) to any person on  
8 a case-by-case basis if the exemption is in the  
9 best interest of the qualified individual whose  
10 benefits would be paid to the person pursuant  
11 to this section.

12 “(B) Paragraph (1)(C) shall not apply  
13 with respect to any person who is a creditor re-  
14 ferred to in such paragraph if the creditor is—

15 “(i) a relative of the qualified indi-  
16 vidual and the relative resides in the same  
17 household as the qualified individual;

18 “(ii) a legal guardian or legal rep-  
19 resentative of the individual;

20 “(iii) a facility that is licensed or cer-  
21 tified as a care facility under the law of  
22 the political jurisdiction in which the quali-  
23 fied individual resides;

24 “(iv) a person who is an adminis-  
25 trator, owner, or employee of a facility re-

1           ferred to in clause (iii), if the qualified in-  
2           dividual resides in the facility, and the pay-  
3           ment to the facility or the person is made  
4           only after the Commissioner of Social Se-  
5           curity has made a good faith effort to lo-  
6           cate an alternative representative payee to  
7           whom payment would serve the best inter-  
8           ests of the qualified individual; or

9           “(v) a person who is determined by  
10          the Commissioner of Social Security, on  
11          the basis of written findings and pursuant  
12          to procedures prescribed by the Commis-  
13          sioner of Social Security, to be acceptable  
14          to serve as a representative payee.

15          “(C) The procedures referred to in sub-  
16          paragraph (B)(v) shall require the person who  
17          will serve as representative payee to establish,  
18          to the satisfaction of the Commissioner of So-  
19          cial Security, that—

20                 “(i) the person poses no risk to the  
21                 qualified individual;

22                 “(ii) the financial relationship of the  
23                 person to the qualified individual poses no  
24                 substantial conflict of interest; and

1                   “(iii) no other more suitable rep-  
2                   resentative payee can be found.

3           “(e) DEFERRAL OF PAYMENT PENDING APPOINT-  
4   MENT OF REPRESENTATIVE PAYEE.—

5           “(1) IN GENERAL.—Subject to paragraph (2),  
6           if the Commissioner of Social Security makes a de-  
7           termination described in the first sentence of sub-  
8           section (a) with respect to any qualified individual’s  
9           benefit and determines that direct payment of the  
10          benefit to the qualified individual would cause sub-  
11          stantial harm to the qualified individual, the Com-  
12          missioner of Social Security may defer (in the case  
13          of initial entitlement) or suspend (in the case of ex-  
14          isting entitlement) direct payment of the benefit to  
15          the qualified individual, until such time as the selec-  
16          tion of a representative payee is made pursuant to  
17          this section.

18          “(2) TIME LIMITATION.—

19                  “(A) IN GENERAL.—Except as provided in  
20                  subparagraph (B), any deferral or suspension of  
21                  direct payment of a benefit pursuant to para-  
22                  graph (1) shall be for a period of not more than  
23                  1 month.

24                  “(B) EXCEPTION IN THE CASE OF INCOM-  
25                  PETENCY.—Subparagraph (A) shall not apply



1           in any case in which the qualified individual is,  
2           as of the date of the Commissioner of Social  
3           Security's determination, legally incompetent  
4           under the laws of the jurisdiction in which the  
5           individual resides.

6           “(3) PAYMENT OF RETROACTIVE BENEFITS.—

7           Payment of any benefits which are deferred or sus-  
8           pended pending the selection of a representative  
9           payee shall be made to the qualified individual or the  
10          representative payee as a single sum or over such  
11          period of time as the Commissioner of Social Secu-  
12          rity determines is in the best interest of the qualified  
13          individual.

14          “(f) HEARING.—Any qualified individual who is dis-  
15          satisfied with a determination by the Commissioner of So-  
16          cial Security to make payment of the qualified individual's  
17          benefit to a representative payee under subsection (a) of  
18          this section or with the designation of a particular person  
19          to serve as representative payee shall be entitled to a hear-  
20          ing by the Commissioner of Social Security to the same  
21          extent as is provided in section 809(a), and to judicial re-  
22          view of the Commissioner of Social Security's final deci-  
23          sion as is provided in section 809(b).

24          “(g) NOTICE REQUIREMENTS.—

1           “(1) IN GENERAL.—In advance of the payment  
2           of a qualified individual’s benefit to a representative  
3           payee under subsection (a), the Commissioner of So-  
4           cial Security shall provide written notice of the Com-  
5           missioner’s initial determination to so make the pay-  
6           ment. The notice shall be provided to the qualified  
7           individual, except that, if the qualified individual is  
8           legally incompetent, then the notice shall be provided  
9           solely to the legal guardian or legal representative of  
10          the qualified individual.

11          “(2) SPECIFIC REQUIREMENTS.—Any notice re-  
12          quired by paragraph (1) shall be clearly written in  
13          language that is easily understandable to the reader,  
14          shall identify the person to be designated as the  
15          qualified individual’s representative payee, and shall  
16          explain to the reader the right under subsection (f)  
17          of the qualified individual or of the qualified individ-  
18          ual’s legal guardian or legal representative—

19                 “(A) to appeal a determination that a rep-  
20                 resentative payee is necessary for the qualified  
21                 individual;

22                 “(B) to appeal the designation of a par-  
23                 ticular person to serve as the representative  
24                 payee of qualified individual; and

1           “(C) to review the evidence upon which the  
2           designation is based and to submit additional  
3           evidence.

4           “(h) ACCOUNTABILITY MONITORING.—

5           “(1) In any case where payment under this title  
6           is made to a person other than the qualified indi-  
7           vidual entitled to the payment, the Commissioner of  
8           Social Security shall establish a system of account-  
9           ability monitoring under which the person shall re-  
10          port not less often than annually with respect to the  
11          use of the payments. The Commissioner of Social  
12          Security shall establish and implement statistically  
13          valid procedures for reviewing the reports in order to  
14          identify instances in which persons are not properly  
15          using the payments.

16          “(2) SPECIAL REPORTS.—Notwithstanding  
17          paragraph (1), the Commissioner of Social Security  
18          may require a report at any time from any person  
19          receiving payments on behalf of a qualified indi-  
20          vidual, if the Commissioner of Social Security has  
21          reason to believe that the person receiving the pay-  
22          ments is misusing the payments.

23          “(3) CENTRALIZED FILE.—The Commissioner  
24          of Social Security shall maintain a centralized file,

1       which shall be updated periodically and which shall  
2       be in a form that is readily retrievable, of—

3               “(A) the name, address, and (if issued) the  
4               social security account number or employer  
5               identification number of each representative  
6               payee who is receiving benefit payments pursu-  
7               ant to this section, section 205(j), or section  
8               1631(a)(2); and

9               “(B) the name, address, and social security  
10              account number of each individual for whom  
11              each representative payee is reported to be pro-  
12              viding services as representative payee pursuant  
13              to this section, section 205(j), or section  
14              1631(a)(2).

15             “(4) The Commissioner of Social Security shall  
16             maintain a list, which shall be updated periodically,  
17             of public agencies and community-based nonprofit  
18             social service agencies which are qualified to serve as  
19             representative payees pursuant to this section and  
20             which are located in the jurisdiction in which any  
21             qualified individual resides.

22               “(i) RESTITUTION.—In any case  
23               where the negligent failure of the Commis-  
24               sioner of Social Security to investigate or  
25               monitor a representative payee results in

1 misuse of benefits by the representative  
2 payee, the Commissioner of Social Security  
3 shall make payment to the qualified indi-  
4 vidual or the individual's alternative rep-  
5 resentative payee of an amount equal to  
6 the misused benefits. The Commissioner of  
7 Social Security shall make a good faith ef-  
8 fort to obtain restitution from the termi-  
9 nated representative payee.

10 **“SEC. 808. OVERPAYMENTS AND UNDERPAYMENTS.**

11 “(a) IN GENERAL.—Whenever the Commissioner of  
12 Social Security finds that more or less than the correct  
13 amount of payment has been made to any person under  
14 this title, proper adjustment or recovery shall be made,  
15 as follows:

16 “(1) With respect to payment to a person of  
17 more than the correct amount, the Commissioner of  
18 Social Security shall decrease any payment under  
19 this title to which the overpaid person (if a qualified  
20 individual) is entitled, or shall require the overpaid  
21 person or his or her estate to refund the amount in  
22 excess of the correct amount, or, if recovery is not  
23 obtained under these two methods, shall seek or pur-  
24 sue recovery by means of reduction in tax refunds  
25 based on notice to the Secretary of the Treasury, as

1 authorized under section 3720A of title 31, United  
2 States Code.

3 “(2) With respect to payment of less than the  
4 correct amount to a qualified individual who, at the  
5 time the Commissioner of Social Security is pre-  
6 pared to take action with respect to the  
7 underpayment—

8 “(A) is living, the Commissioner of Social  
9 Security shall make payment to the qualified in-  
10 dividual (or the qualified individual’s represent-  
11 ative payee designated under section 807) of  
12 the balance of the amount due the underpaid  
13 qualified individual; or

14 “(B) is deceased, the balance of the  
15 amount due shall revert to the general fund of  
16 the Treasury.

17 “(b) WAIVER OF RECOVERY OF OVERPAYMENT.—In  
18 any case in which more than the correct amount of pay-  
19 ment has been made, there shall be no adjustment of pay-  
20 ments to, or recovery by the United States from, any per-  
21 son who is without fault if the Commissioner of Social Se-  
22 curity determines that the adjustment or recovery would  
23 defeat the purpose of this title or would be against equity  
24 and good conscience.

1       “(c) LIMITED IMMUNITY FOR DISBURSING OFFI-  
 2 CERS.—A disbursing officer may not be held liable for any  
 3 amount paid by the officer if the adjustment or recovery  
 4 of the amount is waived under subsection (b), or adjust-  
 5 ment under subsection (a) is not completed before the  
 6 death of the qualified individual against whose benefits de-  
 7 ductions are authorized.

8       “(d) AUTHORIZED COLLECTION PRACTICES.—

9               “(1) IN GENERAL.—With respect to any delin-  
 10 quent amount, the Commissioner of Social Security  
 11 may use the collection practices described in sections  
 12 3711(e), 3716, and 3718 of title 31, United States  
 13 Code, as in effect on October 1, 1994.

14              “(2) DEFINITION.—For purposes of paragraph  
 15 (1), the term ‘delinquent amount’ means an  
 16 amount—

17                      “(A) in excess of the correct amount of the  
 18 payment under this title; and

19                      “(B) determined by the Commissioner of  
 20 Social Security to be otherwise unrecoverable  
 21 under this section from a person who is not a  
 22 qualified individual under this title.

23 **“SEC. 809. HEARINGS AND REVIEW.**

24       “(a) HEARINGS.—

1           “(1) IN GENERAL.—The Commissioner of So-  
2       cial Security shall make findings of fact and deci-  
3       sions as to the rights of any individual applying for  
4       payment under this title. The Commissioner of So-  
5       cial Security shall provide reasonable notice and op-  
6       portunity for a hearing to any individual who is or  
7       claims to be a qualified individual and is in disagree-  
8       ment with any determination under this title with  
9       respect to entitlement to, or the amount of, benefits  
10      under this title, if the individual requests a hearing  
11      on the matter in disagreement within 60 days after  
12      notice of the determination is received, and, if a  
13      hearing is held, shall, on the basis of evidence ad-  
14      duced at the hearing affirm, modify, or reverse the  
15      Commissioner of Social Security’s findings of fact  
16      and the decision. The Commissioner of Social Secu-  
17      rity may, on the Commissioner of Social Security’s  
18      own motion, hold such hearings and to conduct such  
19      investigations and other proceedings as the Commis-  
20      sioner of Social Security deems necessary or proper  
21      for the administration of this title. In the course of  
22      any hearing, investigation, or other proceeding, the  
23      Commissioner may administer oaths and affirma-  
24      tions, examine witnesses, and receive evidence. Evi-  
25      dence may be received at any hearing before the



1 Commissioner of Social Security even though inad-  
2 missible under the rules of evidence applicable to  
3 court procedure. The Commissioner of Social Secu-  
4 rity shall specifically take into account any physical,  
5 mental, educational, or linguistic limitation of the in-  
6 dividual (including any lack of facility with the  
7 English language) in determining, with respect to  
8 the entitlement of the individual for benefits under  
9 this title, whether the individual acted in good faith  
10 or was at fault, and in determining fraud, deception,  
11 or intent.

12 “(2) EFFECT OF FAILURE TO TIMELY REQUEST  
13 REVIEW.—A failure to timely request review of an  
14 initial adverse determination with respect to an ap-  
15 plication for any payment under this title or an ad-  
16 verse determination on reconsideration of such an  
17 initial determination shall not serve as a basis for  
18 denial of a subsequent application for any payment  
19 under this title if the applicant demonstrates that  
20 the applicant failed to so request such a review act-  
21 ing in good faith reliance upon incorrect, incomplete,  
22 or misleading information, relating to the con-  
23 sequences of reapplying for payments in lieu of seek-  
24 ing review of an adverse determination, provided by

1 any officer or employee of the Social Security Ad-  
2 ministration.

3 “(3) NOTICE REQUIREMENTS.—In any notice of  
4 an adverse determination with respect to which a re-  
5 view may be requested under paragraph (1), the  
6 Commissioner of Social Security shall describe in  
7 clear and specific language the effect on possible en-  
8 titlement to benefits under this title of choosing to  
9 reapply in lieu of requesting review of the deter-  
10 mination.

11 “(b) JUDICIAL REVIEW.—The final determination of  
12 the Commissioner of Social Security after a hearing under  
13 subsection (a)(1) shall be subject to judicial review as pro-  
14 vided in section 205(g) to the same extent as the Commis-  
15 sioner of Social Security’s final determinations under sec-  
16 tion 205.

17 **“SEC. 810. OTHER ADMINISTRATIVE PROVISIONS.**

18 “(a) REGULATIONS AND ADMINISTRATIVE ARRANGE-  
19 MENTS.—The Commissioner of Social Security may pre-  
20 scribe such regulations, and make such administrative and  
21 other arrangements, as may be necessary or appropriate  
22 to carry out this title.

23 “(b) PAYMENT OF BENEFITS.—Benefits under this  
24 title shall be paid at such time or times and in such install-

1 ments as the Commissioner of Social Security determines  
2 are in the interests of economy and efficiency.

3 “(c) ENTITLEMENT REDETERMINATIONS.—An indi-  
4 vidual’s entitlement to benefits under this title, and the  
5 amount of the benefits, may be redetermined at such time  
6 or times as the Commissioner of Social Security deter-  
7 mines to be appropriate.

8 “(d) SUSPENSION OF BENEFITS.—Regulations pre-  
9 scribed by the Commissioner of Social Security under sub-  
10 section (a) may provide for the temporary suspension of  
11 entitlement to benefits under this title as the Commis-  
12 sioner determines is appropriate.

13 **“SEC. 811. PENALTIES FOR FRAUD.**

14 “(a) IN GENERAL.—Whoever—

15 “(1) knowingly and willfully makes or causes to  
16 be made any false statement or representation of a  
17 material fact in an application for benefits under  
18 this title;

19 “(2) at any time knowingly and willfully makes  
20 or causes to be made any false statement or rep-  
21 resentation of a material fact for use in determining  
22 any right to the benefits;

23 “(3) having knowledge of the occurrence of any  
24 event affecting—

1                   “(A) his or her initial or continued right to  
2                   the benefits; or

3                   “(B) the initial or continued right to the  
4                   benefits of any other individual in whose behalf  
5                   he or she has applied for or is receiving the  
6                   benefit,  
7                   conceals or fails to disclose the event with an intent  
8                   fraudulently to secure the benefit either in a greater  
9                   amount or quantity than is due or when no such  
10                  benefit is authorized; or

11                  “(4) having made application to receive any  
12                  such benefit for the use and benefit of another and  
13                  having received it, knowingly and willfully converts  
14                  the benefit or any part thereof to a use other than  
15                  for the use and benefit of the other individual,  
16 shall be fined under title 18, United States Code, impris-  
17 oned not more than 5 years, or both.

18                  “(b) RESTITUTION BY REPRESENTATIVE PAYEE.—If  
19 a person or organization violates subsection (a) in the per-  
20 son’s or organization’s role as, or in applying to become,  
21 a representative payee under section 807 on behalf of a  
22 qualified individual, and the violation includes a willful  
23 misuse of funds by the person or entity, the court may  
24 also require that full or partial restitution of funds be  
25 made to the qualified individual.

1 **“SEC. 812. DEFINITIONS.**

2 “In this title:

3 “(1) WORLD WAR II VETERAN.—The term  
4 ‘World War II veteran’ means a person who served  
5 during World War II—

6 “(A) in the active military, naval, or air  
7 service of the United States during World War  
8 II, and who was discharged or released there-  
9 from under conditions other than dishonorable  
10 after service of 90 days or more; or

11 “(B) in the organized military forces of the  
12 Government of the Commonwealth of the Phil-  
13ippines, while the forces were in the service of  
14 the Armed Forces of the United States pursu-  
15 ant to the military order of the President dated  
16 July 26, 1941, including among the military  
17 forces organized guerrilla forces under com-  
18 manders appointed, designated, or subsequently  
19 recognized by the Commander in Chief, South-  
20 west Pacific Area, or other competent authority  
21 in the Army of the United States, in any case  
22 in which the service was rendered before De-  
23 cember 31, 1946.

24 “(2) WORLD WAR II.—The term ‘World War II’  
25 means the period beginning on September 16, 1940,  
26 and ending on July 24, 1947.

1           “(3) SUPPLEMENTAL SECURITY INCOME BEN-  
2       EFIT UNDER TITLE XVI.—The term ‘supplemental  
3       security income benefit under title XVI’, except as  
4       otherwise provided, includes State supplementary  
5       payments which are paid by the Commissioner of  
6       Social Security pursuant to an agreement under sec-  
7       tion 1616(a) of this Act or section 212(b) of Public  
8       Law 93–66.

9           “(4) FEDERAL BENEFIT RATE UNDER TITLE  
10      XVI.—The term ‘Federal benefit rate under title  
11      XVI’ means, with respect to any month, the amount  
12      of the supplemental security income cash benefit  
13      (not including any State supplementary payment  
14      which is paid by the Commissioner of Social Security  
15      pursuant to an agreement under section 1616(a) of  
16      this Act or section 212(b) of Public Law 93–66)  
17      payable under title XVI for the month to an eligible  
18      individual with no income.

19          “(5) UNITED STATES.—The term ‘United  
20      States’ means, notwithstanding section 1101(a)(1),  
21      only the 50 States, the District of Columbia, and the  
22      Commonwealth of the Northern Mariana Islands.

23          “(6) BENEFIT INCOME.—The term ‘benefit in-  
24      come’ means any recurring payment received by a  
25      qualified individual as an annuity, pension, retire-

1       ment, or disability benefit (including any veterans’  
 2       compensation or pension, workmen’s compensation  
 3       payment, old-age, survivors, or disability insurance  
 4       benefit, railroad retirement annuity or pension, and  
 5       unemployment insurance benefit), but only if a simi-  
 6       lar payment was received by the individual from the  
 7       same (or a related) source during the 12-month pe-  
 8       riod preceding the month in which the individual  
 9       files an application for benefits under this title.

10   **“SEC. 813. APPROPRIATIONS.**

11       “There are hereby appropriated for fiscal year 2001  
 12   and subsequent fiscal years such sums as may be nec-  
 13   essary to carry out this title.”.

14       (b) CONFORMING AMENDMENTS.—

15           (1) SOCIAL SECURITY TRUST FUNDS LAE AC-  
 16   COUNT.—Section 201(g) of such Act (42 U.S.C.  
 17   401(g)) is amended—

18           (A) in the fourth sentence of paragraph  
 19   (1)(A), by inserting after “this title,” the fol-  
 20   lowing: “title VIII,”;

21           (B) in paragraph (1)(B)(i)(I), by inserting  
 22   after “this title,” the following: “title VIII,”;  
 23   and

24           (C) in paragraph (1)(C)(i), by inserting  
 25   after “this title,” the following: “title VIII,”.

1           (2) REPRESENTATIVE PAYEE PROVISIONS OF  
2       TITLE II.—Section 205(j) of such Act (42 U.S.C.  
3       405(j)) is amended—

4           (A) in paragraph (1)(A), by inserting “807  
5       or” before “1631(a)(2)”;

6           (B) in paragraph (2)(B)(i)(I), by inserting  
7       “, title VIII,” before “or title XVI”;

8           (C) in paragraph (2)(B)(i)(III), by insert-  
9       ing “, 811,” before “or 1632”;

10          (D) in paragraph (2)(B)(i)(IV)—

11           (i) by inserting “, the designation of  
12       such person as a representative payee has  
13       been revoked pursuant to section 807(a),”  
14       before “or payment of benefits”; and

15           (ii) by inserting “, title VIII,” before  
16       “or title XVI”;

17          (E) in paragraph (2)(B)(ii)(I)—

18           (i) by inserting “whose designation as  
19       a representative payee has been revoked  
20       pursuant to section 807(a),” before “or  
21       with respect to whom”; and

22           (ii) by inserting “, title VIII,” before  
23       “or title XVI”;

24          (F) in paragraph (2)(B)(i)(II), by insert-  
25       ing “, 811,” before “or 1632”;



1 (G) in paragraph (2)(C)(i)(II) by inserting  
 2 “, the designation of such person as a rep-  
 3 resentative payee has been revoked pursuant to  
 4 section 807(a),” before “or payment of bene-  
 5 fits”;

6 (H) in each of clauses (i) and (ii) of para-  
 7 graph (3)(E), by inserting “, section 807,” be-  
 8 fore “or section 1631(a)(2)”;

9 (I) in paragraph (3)(F), by inserting “807  
 10 or” before “1631(a)(2)”;

11 (J) in paragraph (4)(B)(i), by inserting  
 12 “807 or” before “1631(a)(2)”.

13 (3) WITHHOLDING FOR CHILD SUPPORT AND  
 14 ALIMONY OBLIGATIONS.—Section 459(h)(1)(A) of  
 15 such Act (42 U.S.C. 659(h)(1)(A)) is amended—

16 (A) at the end of clause (iii), by striking  
 17 “and”;

18 (B) at the end of clause (iv), by striking  
 19 “but” and inserting “and”; and

20 (C) by adding at the end a new clause as  
 21 follows:

22 “(v) special benefits for certain World  
 23 War II veterans payable under title VIII;  
 24 but”.

1           (4) SOCIAL SECURITY ADVISORY BOARD.—Sec-  
 2           tion 703(b) of such Act (42 U.S.C. 903(b)) is  
 3           amended by striking “title II” and inserting “title  
 4           II, the program of special benefits for certain World  
 5           War II veterans under title VIII,”.

6           (5) DELIVERY OF CHECKS.—Section 708 of  
 7           such Act (42 U.S.C. 908) is amended—

8                   (A) in subsection (a), by striking “title II”  
 9                   and inserting “title II, title VIII,”; and

10                   (B) in subsection (b), by striking “title II”  
 11                   and inserting “title II, title VIII,”.

12           (6) CIVIL MONETARY PENALTIES.—Section  
 13           1129 of such Act (42 U.S.C. 1320a–8) is  
 14           amended—

15                   (A) in the title, by striking “II” and in-  
 16                   serting “II, VIII”;

17                   (B) in subsection (a)(1)—

18                           (i) by striking “or” at the end of sub-  
 19                           paragraph (A);

20                           (ii) by redesignating subparagraph  
 21                           (B) as subparagraph (C); and

22                           (iii) by inserting after subparagraph  
 23                           (A) the following:

24                           “(B) benefits or payments under title VIII,  
 25                           or”;

1 (C) in subsection (a)(2), by inserting “or  
2 title VIII,” after “title II”;

3 (D) in subsection (e)(1)(C)—

4 (i) by striking “or” at the end of  
5 clause (i);

6 (ii) by redesignating clause (ii) as  
7 clause (iii); and

8 (iii) by inserting after clause (i) the  
9 following:

10 “(ii) by decrease of any payment  
11 under title VIII to which the person is en-  
12 titled, or”;

13 (E) in subsection (e)(2)(B), by striking  
14 “title XVI” and inserting “title VIII or XVI”;  
15 and

16 (F) in subsection (l), by striking “title  
17 XVI” and inserting “title VIII or XVI”.

18 (7) RECOVERY OF SSI OVERPAYMENTS.—Sec-  
19 tion 1147 of such Act (42 U.S.C. 1320b–17) is  
20 amended—

21 (A) in subsection (a)(1)—

22 (i) by inserting “or VIII” after “title  
23 II” the first place it appears; and

1 (ii) by striking “title II” the second  
2 place it appears and inserting “such title”;  
3 and

4 (B) in the title, by striking “SOCIAL SECU-  
5 RITY” and inserting “OTHER”.

6 (8) REPRESENTATIVE PAYEE PROVISIONS OF  
7 TITLE XVI.—Section 1631(a)(2) of such Act (42  
8 U.S.C. 1383(a)(2)) is amended—

9 (A) in subparagraph (A)(iii), by inserting  
10 “or 807” after “205(j)(1)”;

11 (B) in subparagraph (B)(ii)(I), by insert-  
12 ing “, title VIII,” before “or this title”;

13 (C) in subparagraph (B)(ii)(III), by insert-  
14 ing “, 811,” before “or 1632”;

15 (D) in subparagraph (B)(ii)(IV)—

16 (i) by inserting “whether the designa-  
17 tion of such person as a representative  
18 payee has been revoked pursuant to section  
19 807(a),” before “and whether certifi-  
20 cation”; and

21 (ii) by inserting “, title VIII,” before  
22 “or this title”;

23 (E) in subparagraph (B)(iii)(II), by insert-  
24 ing “the designation of such person as a rep-

1           representative payee has been revoked pursuant to  
2           section 807(a),” before “or certification”; and

3           (F) in subparagraph (D)(ii)(II)(aa), by in-  
4           serting “or 807” after “205(j)(4)”.

5           (9)       ADMINISTRATIVE       OFFSET.—Section  
6       3716(c)(3)(C) of title 31, United States Code, is  
7       amended—

8           (A) by striking “sections 205(b)(1)” and  
9           inserting “sections 205(b)(1), 809(a)(1),”; and

10          (B) by striking “either title II” and insert-  
11       ing “title II, VIII,”.

## 12                               **Subtitle C—Study**

### 13       **SEC. 261. STUDY OF DENIAL OF SSI BENEFITS FOR FAMILY** 14       **FARMERS.**

15       (a) IN GENERAL.—The Commissioner of Social Secu-  
16       rity shall conduct a study of the reasons why family farm-  
17       ers with resources of less than \$100,000 are denied sup-  
18       plemental security income benefits under title XVI of the  
19       Social Security Act, including whether the deeming proc-  
20       ess unduly burdens and discriminates against family farm-  
21       ers who do not institutionalize a disabled dependent, and  
22       shall determine the number of such farmers who have been  
23       denied such benefits during each of the preceding 10  
24       years.

1 (b) REPORT TO THE CONGRESS.—Within 1 year after  
 2 the date of the enactment of this Act, the Commissioner  
 3 of Social Security shall prepare and submit to the Com-  
 4 mittee on Ways and Means of the House of Representa-  
 5 tives and the Committee on Finance of the Senate a report  
 6 that contains the results of the study, and the determina-  
 7 tion, required by subsection (a).

## 8 **TITLE III—CHILD SUPPORT**

### 9 **SEC. 301. NARROWING OF HOLD HARMLESS PROVISION** 10 **FOR STATE SHARE OF DISTRIBUTION OF COL-** 11 **LECTED CHILD SUPPORT.**

12 (a) IN GENERAL.—Section 457(d) of the Social Secu-  
 13 rity Act (42 U.S.C. 657(d)) is amended to read as follows:

14 “(d) HOLD HARMLESS PROVISION.—If—

15 “(1) the amounts collected which could be re-  
 16 tained by the State in the fiscal year (to the extent  
 17 necessary to reimburse the State for amounts paid  
 18 to families as assistance by the State) are less than  
 19 the State share of the amounts collected in fiscal  
 20 year 1995 (determined in accordance with section  
 21 457 as in effect on the day before the date of the  
 22 enactment of the Personal Responsibility and Work  
 23 Opportunity Reconciliation Act of 1996); and

24 “(2)(A)(i) the State has not retained any of the  
 25 current support so collected during the preceding fis-

1 cal year on behalf of any family that is a recipient  
 2 of assistance under the State program funded under  
 3 part A (except any such family in a control group  
 4 required by a waiver granted to the State under sec-  
 5 tion 1115); and

6 “(ii) at least the lesser of \$150 or the total  
 7 amount of current support paid to such a family in  
 8 any month is disregarded in determining the amount  
 9 or type of assistance to be provided to the family for  
 10 the month under the State program funded under  
 11 part A; or

12 “(B) the State has distributed to families not  
 13 less than one-half of the child support arrearages  
 14 collected pursuant to section 464 during the pre-  
 15 ceding fiscal year, that accrued after the families  
 16 ceased to receive assistance from the State (as de-  
 17 fined in subsection (c)(1)),

18 then the State share otherwise determined for the fiscal  
 19 year shall be increased by an amount equal to one-half  
 20 of the amount (if any) by which the State share in fiscal  
 21 year 1995 exceeds the State share for the fiscal year (de-  
 22 termined without regard to this subsection).”.

23 (b) AUTHORITY OF STATE TO PASS THROUGH POR-  
 24 TION OF CHILD SUPPORT ARREARAGES COLLECTED  
 25 THROUGH TAX INTERCEPT.—Section 457(a)(2)(B)(iv) of

1 such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended in the  
 2 first sentence by inserting after the second sentence the  
 3 following: “After making such payment, the State may  
 4 distribute to the family not more than one-half of the re-  
 5 maining amount so retained.”.

6 (c) EFFECTIVE DATE.—The amendment made by  
 7 subsection (a) shall be effective with respect to calendar  
 8 quarters beginning on or after October 1, 1998.

9 (d) REPEALER.—Effective October 1, 2001, section  
 10 457 of the Social Security Act (42 U.S.C. 657) is amended  
 11 by striking subsection (d).

## 12 **TITLE IV—TECHNICAL** 13 **CORRECTIONS**

### 14 **SEC. 401. TECHNICAL CORRECTIONS RELATING TO AMEND-** 15 **MENTS MADE BY THE PERSONAL RESPONS-** 16 **BILITY AND WORK OPPORTUNITY REC-** 17 **ONCILIATION ACT OF 1996.**

18 (a) Section 402(a)(1)(B)(iv) of the Social Security  
 19 Act (42 U.S.C. 602(a)(1)(B)(iv)) is amended by striking  
 20 “Act” and inserting “section”.

21 (b) Section 409(a)(7)(B)(i)(II) of the Social Security  
 22 Act (42 U.S.C. 609(a)(7)(B)(i)(II)) is amended by strik-  
 23 ing “part” and inserting “section”.



1 (c) Section 413(g)(1) of the Social Security Act (42  
2 U.S.C. 613(g)(1)) is amended by striking “Act” and in-  
3 serting “section”.

4 (d) Section 416 of the Social Security Act (42 U.S.C.  
5 616) is amended by striking “Opportunity Act” and in-  
6 serting “Opportunity Reconciliation Act” each place such  
7 term appears.

8 (e) Section 431(a)(6) of the Social Security Act (42  
9 U.S.C. 629a(a)(6))) is amended—

10 (1) by inserting “, as in effect before August  
11 22, 1986” after “482(i)(5)”; and

12 (2) by inserting “, as so in effect” after  
13 “482(i)(7)(A)”.

14 (f) Sections 452(a)(7) and 466(c)(2)(A)(i) of the So-  
15 cial Security Act (42 U.S.C. 652(a)(7) and  
16 666(c)(2)(A)(i)) are each amended by striking “Social Se-  
17 curity” and inserting “social security”.

18 (g) Section 454 of the Social Security Act (42 U.S.C.  
19 654) is amended—

20 (1) by striking “, or” at the end of each of  
21 paragraphs (6)(E)(i) and (19)(B)(i) and inserting “;  
22 or”;

23 (2) in paragraph (9), by striking the comma at  
24 the end of each of subparagraphs (A), (B), (C) and  
25 inserting a semicolon; and

1           (3) by striking “, and” at the end of each of  
2       paragraphs (19)(A) and (24)(A) and inserting “;  
3       and”.

4       (h) Section 454(24)(B) of the Social Security Act (42  
5       U.S.C. 654(24)(B)) is amended by striking “Opportunity  
6       Act” and inserting “Opportunity Reconciliation Act”.

7       (i) Section 344(b)(1)(A) of the Personal Responsi-  
8       bility and Work Opportunity Reconciliation Act of 1996  
9       (110 Stat. 2236) is amended to read as follows:

10               “(A) in paragraph (1), by striking sub-  
11               paragraph (B) and inserting the following:

12               ‘(B) equal to the percent specified in para-  
13               graph (3) of the sums expended during such  
14               quarter that are attributable to the planning,  
15               design, development, installation or enhance-  
16               ment of an automatic data processing and in-  
17               formation retrieval system (including in such  
18               sums the full cost of the hardware components  
19               of such system); and’; and”.

20       (j) Section 457(a)(2)(B)(i)(I) of the Social Security  
21       Act (42 U.S.C. 657(a)(2)(B)(i)(I)) is amended by striking  
22       “Act Reconciliation” and inserting “Reconciliation Act”.

23       (k) Section 457 of the Social Security Act (42 U.S.C.  
24       657) is amended by striking “Opportunity Act” each place

1 it appears and inserting “Opportunity Reconciliation  
2 Act”.

3 (l) Effective on the date of the enactment of this Act,  
4 section 404(e) of the Social Security Act (42 U.S.C.  
5 604(e)) is amended by inserting “or tribe” after “State”  
6 the first and second places it appears, and by inserting  
7 “or tribal” after “State” the third place it appears.

8 (m) Section 466(a)(7) of the Social Security Act (42  
9 U.S.C. 666(a)(7)) is amended by striking “1681a(f))” and  
10 inserting “1681a(f))”.

11 (n) Section 466(b)(6)(A) of the Social Security Act  
12 (42 U.S.C. 666(b)(6)(A)) is amended by striking “state”  
13 and inserting “State”.

14 (o) Section 471(a)(8) of the Social Security Act (42  
15 U.S.C. 671(a)(8)) is amended by striking “(including ac-  
16 tivities under part F)”.

17 (p) Section 1137(a)(3) of the Social Security Act (42  
18 U.S.C. 1320b–7(a)(3)) is amended by striking  
19 “453A(a)(2)(B)(iii))” and inserting  
20 “453A(a)(2)(B)(ii))”.

21 (q) Except as provided in subsection (l), the amend-  
22 ments made by this section shall take effect as if included

- 1 in the enactment of the Personal Responsibility and Work
- 2 Opportunity Reconciliation Act of 1996.

Passed the House of Representatives June 25, 1999.

Attest:                               JEFF TRANDAHL,  
*Clerk.*